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Socialist Leader on U.S. Ambassador, Policy

AU1611125694 Tirana DITA INFORMATION in Albanian 10 Nov 94 p 5

[Interview with Namik Dokle, vice chairman of the Socialist Party, by Altin Rraxhimi; place and date not given: "The People Showed How Much the President's Chair Cost"]

[FBIS Translated Excerpt] [Passage omitted] [Rraxhimi] If you win in the next elections, what will Albania be like?

[Dokle] Albania will be a country that develops in a truly democratic way. Unlike the Democratic Party, we will not pursue a policy of political retaliation against the people, or against the Democratic Party itself. Unlike the Democratic Party, we will not resort to political revenge against journalists. We will not incite political division among businessmen, but will test them professionally, judging them according to their capabilities, and so on. We will carry out privatization without dragging it out endlessly as is being done now. We will not convert customs warehouses into mafia business centers, and these are the factors that we think will calm Albania, will pacify the Albanians, and everybody will work for his country and himself.

[Rraxhimi] What changes do you see in U.S. policy toward the opposition, particularly the Socialist Party?

[Dokle] I see no changes at all, because U.S. policy has been a realistic and democratic policy toward Albania and the opposition parties. We do not mistake the conduct of an individual person, even if he is the U.S. ambassador, for the policy of the United States.

[Rraxhimi] But the ambassador is a representative of the United States.

[Dokle] Yes, but he has perhaps failed to represent his country properly.

[Rraxhimi] Is that the reason why he was replaced?

[Dokle] No, I don't think that was the reason....

[Rraxhimi] Why, then?

[Dokle] It is the State Department that knows why he stepped down.

Commentary on U.S. Policy

AU1611125594 Tirana DITA INFORMACION in Albanian 10 Nov 94 p 2

[Commentary by A. Rraxhimi: "A Good Doctor Does Not Necessarily Make a Good Politician!"]

[FBIS Translated Text] "For the better, for the better," Namik Dokle [Socialist Party vice chairman] replied when asked what direction Tuesday's [8 November] meeting with the U.S. ambassador to Tirana took.

Thus, Joseph Edward Lake of Texas, in his visit lasting over 90 minutes with Namik Dokle, Servet Pellumbi, and Bashkim Zeneli in Fatos Nano's office, has perhaps signaled a change in the relations between the villa in Elbasani Street [U.S. Embassy] and the Socialist Party.

He was quoted by Bashkim Zeneli, head of the foreign section of the Socialist Party [PS], as saying: "You are always welcome at our embassy."

There Has Already Been a Change

Washington's policy toward the former East European communist parties has changed. It happened after the populations of many of those countries began to feel disillusioned with the anticommunists. In Lithuania, the piano player Landsbergis was defeated by the leftists; the same thing happened in Poland; in Ukraine, the nationalist Kravchuk was overthrown in July and the pro-Russian Kuchma won; and an identical scenario occurred in Belarus. The problem of former communists coming to power in the East European countries is no longer of any importance to the United States and its strategic interests. At a time when the Soviet empire is in ruins and the myth of the consumer society (embodied by the United States) is victorious, human rights and links with the past are no longer of primary importance to Washington. What matters now is a strong, stable, and popular government.

The Attitude Toward Albania

When asked what he thought of Berisha, Michael Van Dusen, chief of staff of the U.S. Congress Foreign Relations Committee, said: "A good doctor does not necessarily make a good politician."

This year, certain things have indicated that there have been changes in the U.S. policy toward Albania: The Report on Human Rights in Albania in 1993 that was prepared by the State Department, and the replacement of the U.S. ambassador to Tirana. "There are still significant human rights problems," the report said, and continued: "The government has restricted freedom of the press and speech. The freedom of assembly and organization remains obviously limited."

Last Tuesday was the most significant moment, when the three socialist leaders, still euphoric over the results of the referendum, discerned a change in the attitude of the U.S. ambassador to Albania.

"We do not mistake the behavior of U.S. Ambassador Ryerson for U.S. policy," said Bashkim Zeneli, head of the PS foreign section, recalling 22 March 1992, when Ryerson went out on tours with Berisha in the run-up to the elections, playing the card of the U.S. consumer myth to the people. "We consider this (Tuesday's meeting) to be a new stance of the representative appointed to the embassy, not a new stance of the United States."

"Ambassador Lake told us that the policy of the United States could not be to support one party or another, but to support Albanian democracy."

Just think that among those who were carrying slogans such as "Yes to the Constitution!" "Kavaja Says Yes!" and so on and so forth, there were also people carrying U.S. flags.

Berisha Assesses Referendum, Defines Party Goals

AU1611160694 Tirana TVSH Television Network in Albanian 1900 GMT 15 Nov 94

[Report on speech by Albanian President Sali Berisha at a meeting of the Democratic Party National Council in Tirana on 15 November]

[FBIS Translated Text] In his speech at the meeting of the National Council of the Democratic Party of Albania [PD], President Berisha stressed:

The PD should consider that the establishment of a genuine democracy, a real democracy in Albania, is and remains a major goal of all democratic forces in Albania.

Analyzing the situation in light of that goal, we can say with conviction that 6 November was an important day in the history of Albanian democracy because 6 November marked the day of the first Albanian referendum, the foundation of a deeply democratic institution. The merit belongs to the Albanian democratic forces that supported it.

On this occasion, I would like to assure you that the PD and other democratic forces emerged from the referendum being far more democratic and with an indisputable dignity. They testified to their great devotion to instituting genuine democracy and approving the constitution through a referendum. It is to their great honor and that of Albanian democracy that, rising above party interests, they chose the most democratic way, that of the referendum, i.e. they addressed the people with their full conviction, and we will always address them when great problems arise.

In that respect, the referendum is an important victory for Albanian democracy. It belonged to the democrats, it belonged to all those who emerged from the dictatorship. I think that, in this respect, the PD has made an undeniable contribution to democratic values and Albanian democracy. The referendum as a legitimate institution and the presentation of the constitution for referendum are the most democratic tactics of developed countries. Constitutions have been approved by referendum in the United States, Spain, Switzerland, France, and many other democratic countries.

However, I think that we have not gathered here to analyze the referendum as such, but to analyze its results. Did we receive the expected result in this referendum? We did not. Reasons should be sought in the functioning of the PD itself.

The PD bore a great responsibility; its presidency, its branches, its sections, and others. The time has come for all PD structures to consider all their mistakes and the reasons why its work failed to function, because the referendum results were a strong signal to all structures of this state and non-state party.

Nevertheless, this is not a desperate situation, in the sense that 42 percent of the electorate voted for the center right. What, then, are the party goals?

As a right of center party, the PD should seek its own alliances, excluding coalition with socialists. That is why it is important for the PD Presidency to determine new alliances. It is erroneous to think that we do not need this or that alliance. This practice should be changed, but alliances and coalitions cannot be made with socialists, this is irrevocable.

At a news conference yesterday, I said, and will always say, that the 53 percent that voted against the constitution voted neither for extremism nor for communist nostalgia. Among them, a certain percentage voted no because they wanted another variant of the constitution. We will undoubtedly find understanding with these people, as we have offered the most democratic solutions. Our mission is to establish democracy.

Many of the protesters who voted against the constitution remonstrated because they did not receive their property, such as the former persecutees who did not receive the compensation that was due to them according to the law. These persons sent a signal to the PD. Their message is that the administration, wherever it is, should work with efficiency and grant them the property and compensation owing to them.

Many voted no because they have seen a minister or mayor arrange things to his own advantage or have seen a PD branch chairman work to build up his own power. They have seen privileges and manifestations of corruption, toward which the people are very sensitive.

The cases of corruption should be identified, detected, and condemned, and the PD should have no hesitation in this. Here, it is not a question of simply increasing our credibility. No, this is not the primary goal. The primary goal is to remain loyal to those moral values that every individual should support in a civilized society.

Today, the PD is again offering deeply democratic solutions to the problem of the constitution. For this reason, we have offered a choice from among the 15 forms that exist in the 15 [as published] countries of the European Union.

By offering choices, to be reached by consensus, and our constructive stance, we categorically refuse to accept any kind of diktat from either the right- or left-wing extremes. Alongside this, I want to stress that all political forces and individuals should respect the laws of democracy. In this respect, the demand for early elections clearly reveals feverish careerism and should not be considered. Not because the PD is afraid of elections, but because respect for the institutions elected through a free vote throughout the period anticipated by law is an unchangeable condition of a genuine democracy.

In closing, I want to invite you to work actively to correct the harmful events and support the consolidation of democracy.

The meeting of the PD National Council continues.

PD Chairman Discusses Referendum, Future

AU1611173694 Tirana TVSH Television Network in Albanian 1900 GMT 15 Nov 94

[FBIS Translated Text] The National Council of the Democratic Party of Albania [PD] started its proceedings in Tirana today. The council examined and analyzed the results of the 6 November referendum and presented the tasks for the future.

In the name of the PD Presidency, PD Chairman Eduard Selami made a speech at the meeting. As a PD Presidency member, President Sali Berisha then took the floor. Members of the National Council also spoke at the meeting.

We will now read some excerpts from the speeches of Messrs. Selami and Berisha at this council.

In his speech, PD Chairman Eduard Selami stressed:

We have gathered here to analyze the reasons for the 6 November result and the path we should follow in the future. Regarding problems related to the constitution and the campaign, we should say that although when we finished on 4 November we had ran a very good campaign as far as large meetings and open rallies were concerned, this was not accompanied with smaller meetings and the clarification of several hot articles regarding the constitution. We did not hold, or held very few, meetings from house to house, as we did in the case of the early elections in five communes. We were unorganized at the ballot boxes and in the registration of voters. Many of our people remained unregistered.

However, we think that the policy followed by our government in these three years has had a very great influence on the 6 November results. Despite the fact that a referendum was held on the constitution, and we remain loyal to it, all of us know quite well that this votie was simultaneously related to our work as the PD government over these three years. No one can deny our achievements, but I am not going to focus on them now, but on the shortcomings that, we think, influenced the referendum result, as well as on the ways to overcome them.

In brief, we think that this is primarily due to the inefficiency of our local and central government.

Second, in my opinion, the most important factor is connected with corruption. On 6 November, the people sent a message to us. Perhaps it is better that it came today rather than in 1996 [end of present governments mandate]. We should not forget other former communist countries. That is why we should restructure the government and its work as soon as possible, in order to resolve some acute problems and to forcefully fight corruption at all levels.

Just as the causes of this result have two constitutional and governmental natures, we think that the ways of overcoming this political crisis have two parallel directions. We remain strongly attached to the line of approving the constitution. That is why we have again taken the initiative. For this, we have asked for the establishment of a parliamentary constitutional commission and the compiling of a new draft constitution.

We also remain loyal to the approval of the constitution through a referendum, but, once again, I want to stress that, alongside drafting of the constitution, we should also repair those shortcomings that have been observed so far, so as to show those among our electorate who said no to us that we are capable of repairing the faults as they demand.

I am convinced that success depends on us, on our ability to correct and reflect upon those problems, which the people rightly expect.

Archbishop on Berisha Press Conference

95P20125A Tirana RILINDJA DEMOKRATIKE in Albanian 13 Oct 94 p 7

[Unattributed article: "Announcement from the Press Office of the Albanian Autocephalous Orthodox Church"]

[FBIS Translated Text] Archbishop Anastas Janullatos gave the following statement in response to the words of President Sali Berisha at his 10 October 1994 news conference: "When I met with His Excellency Sali Berisha, the president of the Republic of Albania, on 30 June 1992 after I was chosen to be archbishop, he made it clear to me that he was satisfied with my election. He said the same thing to the official delegation of the Ecumenical Patriarchate which met with the president on 4 July 1992. The matter of a temporary stay was not discussed.

Much later, the media began to talk about the temporary tenure of the archbishop, especially when tensions broke out between Albania and Greece. I limited myself to recalling, in a firm manner, that we are all temporary, wherever we might be, and that it is my dream and I am making the effort so that the Orthodox Church will very soon have suitable cadres who will be able to assume its leadership. It is very clear to all that the place of the archbishop of Albania is not a throne of power but a cross of sacrifice.

However, it is known that, at this time, no one is prepared to assume this responsibility. The criteria continue to be the interest of the church and its uninterrupted revitalization after the great destruction which it suffered. The most recent solutions for this, in a country which states that it has full respect for freedom of religion, pertain to the Orthodox in Albania and are not being mechanically imposed by order of the state.

As for what will actually be done in connection with the Constitution or after it is voted upon, as the president concludes, "these are issues which are more in the domain of the church, which, in Albania, is separate from the state."

Statement Alleges Greek Interference in Church

95P20156A Tirana REPUBLIKA in Albanian 20 Oct 94 p 8

[Unattributed article: "Statement of the Government of the Republic of Albania: The Archbishop of Albania Is Not Appointed by Greece"]

[FBIS Translated Text] Greece does not have the right to use the existence of a Greek priest as primate of the Albanian Orthodox Church as grounds for ignoring the autocephalous character of this church, when it is known that this person is not the emissary or the representative of the Greek state in Albania.

Two days ago, the Government of the Republic of Albania issued a declaration stating that the spokesman of the Greek Government, Evangelos Venizelos, in his recent statements, spoke about the threat to the presence of Archbishop Anastasios Janullatos as head of the Albanian Autocephalous Orthodox Church, a threat which supposedly comes from a certain article in the Albanian draft constitution. The Greek Foreign Ministry spokesman, Kostas Bickas, said that the Greek Government regards the entire issue of the Albanian draft constitution with special anxiety. The Albanian Government considers such statements unacceptable interference in the internal affairs of the Albanian state and in the internal affairs of the religious institutions of this state. The Albanian Autocephalous Orthodox Church has its own statute which stipulates who should head the church and no one has the right to dictate anything which is contrary to this statute. Greece has no right to use the existence of a Greek priest as primate of the Albanian Orthodox Church as grounds for ignoring the autocephalous character of this church, when it is known that this person is not the emissary or the representative of the Greek state in Albania.

We call upon the European Union and its presidency, the European Parliament, the European Commission, the American Congress, the CSCE, and other democratic international institutions to make a comparative evaluation of the Albanian draft constitution and the Greek Constitution, specifically in regard to the issues of the minorities and religion.

In regard to the minorities, Article 44 of the Albanian draft constitution says: "Persons who belong to the national minorities have the right to enjoy the basic human rights and freedoms, with full equality before the law. They have the right to freely express, preserve, and develop their ethnic, cultural, religious, and linguistic identity, to teach or to be taught in their mother tongue, as well as to join together in organizations and associations for the protection of their interests and identity. Nationality is determined on the basis of accepted international norms." This matter is ignored in the Greek Constitution.

In regard to religion, too, we believe that this comparison will show how absurd and groundless the statements of the Greek officials are.

The Albanian Government denounces this interference by the Greek Government, which, in contradiction with the age-old basic principles of democracy, aims at undermining the sovereignty of the Albanian people in order to establish the basic law of their own state.

The Albanian Government forcefully demands that the Greek Government put an end to these interventions which seriously harm efforts to normalize Albanian-Greek relations and which increase tension in the troubled region of the Balkans.

Involvement of Witness Halts Shkoder Spy Trial

95P20158A Tirana RILINDJA DEMOKRATIKE in Albanian 11 Oct 94 p 4

[Article: "Another Case of Espionage Is Brought to Trial"]

[FBIS Translated Text] The trial of 48-year old Yugoslav citizen Beqir Leshovic, resident of Koder Ulqin [Ulcinj] (Montenegro), who is accused of espionage, crossing the Albanian border illegally, and contraband continued recently in the Skhkoder District court. The other defendant in this trial was the former guard of the Muriqan border post, Fejzi Hysa, who is accused of violating regulations for guarding the state border. As a result of this violation, it was possible to cross the border.

The court investigation revealed that the defendant Beqir Leshovic illegally crossed the state border of the Republic of Albania several times during the 1991-1993 period and had meetings with Albanian citizens to recruit them as Yugoslav agents, serving as an intermediary in this criminal activity. He facilitated meetings of Albanian recruits with Yugoslav agents for the purpose of collecting information which constituted military and state secrets.

During the court sessions, it was revealed that the witness Mehmet Logu had committed the crime of treason against the country af ter he became a Yugoslav agent and agreed to collect information constituting state and military secrets, in exchange for compensation received and promises of compensation. This was revealed during the session by the witness himself and by defendant Leshovic. Mehmet Logu met, in Ulqin in Montenegro, with an agent of the Yugoslav secret service, who wanted information on military bases in the northeastern part of the country, on the concentration of units and troops, the movements of President of the Republic Sali Berisha and President of Kosovo Ibrahim Rugova, etc. He was given a pseudonym and equipment for communicating with the Yugoslav agent. On the basis of this information, which came to light during the investigation, the Shkoder court ruled that the activities of the witness Mehmet Logu are connected with crimes of which the defendant with Yugoslav citizenship, Beqir Leshovic, is accused and said that there should be further investigation of the matter. Under such circumstances, the court decided to send the case back to the Tirana public prosecutor's office for further investigation.

Lek Offers Security Against Foreign Currencies

AU1711080394 Tirana LAJMI I DITES in Albanian 8 Nov 94 p 5

[M. No-signed report: "Growing Citizens Deposits in Leks"]

[FBIS Translated Text] Continuous fluctuations in the currency market greatly affect people when it comes to choosing what kind of bank deposit they should keep their money in. It is a question of which is the more secure—leks or foreign currency—at a time when the rise or fall of the U.S. dollar against the Albanian lek is giving no clear signs for the future. According to specialists in the foreign department of the Bank of Albania, it is still too early to predict the position of the U.S. dollar in the currency market; other foreign currencies appear to be more stable.

Citizens who have their deposits in Greek drachmas rather than U.S. dollars or Italian lire, which are the other major currencies in private bank deposits, seem to enjoy greater security. Drachma accounts comprise the highest percentage of foreign currency deposits in the Savings Bank of Albania, totaling 49 percent during the first nine months of this year. In the same period, U.S. dollar deposits were estimated at 26 percent, followed by lira at 9 percent, and the remainder in other foreign currencies.

The reason for this is because there are a greater number of Albanians employed in Greece than in Italy or other countries. However, the growing commercial activity of Albanian citizens, not only abroad but also within the country, has led to a continued growth of lek deposits in the Savings Bank of Albania. Despite the continuous instability in interest rates on lek deposits, the overall performance of these deposits during the nine-month period was positive compared with previous periods. In the first nine months of this year, deposits in the national currency are estimated at around 15 billion leks, which is about 1 billion more than in the first six months of this year, and compares against about 11 billion leks for the whole of 1993.

According to Savings Bank specialists, the stable level of these deposits shows the security both of the deposits in this bank themselves and the currency.

Russian Ambassador Views Economic Cooperation

AU1611152394 Sofia DUMA in Bulgarian 10 Nov 94 p 3

[Interview with Russian Ambassador Aleksandr Avdeyev by Milko Nedyalkov; place and date not given: "Russia Will Pay Its Debt to Bulgaria"]

[FBIS Translated Text] [Nedyalkov] Mr. Ambassador, lately you have been a frequent guest of Bulgarian industrial enterprises. Do you think that their production will again become a familiar sight in the Russian markets?

[Avdeyev] I think that the contacts between Bulgarian goods and Russian markets are logical. However, each company's contacts have their own specific character. In Lovech, where I visited at the invitation of the oblast manager and after repeated insistence on the part of Mrs. Nora Ananieva, I saw interesting enterprises. While the Eltos Enterprise has a extensive ready access to the Russian market the Balkan Company needs a stable partner for mutual cooperation.

Much depends on the dynamic attitude of the Bulgarian businessmen. I often encounter directors of enterprises, plants, and wine producing companies who ask when will they obtain access to the Russian markets. I always ask them in return: How many times have you been to Russia and tried to penetrate the markets? Competitors from the Western countries are currently directing their basic efforts toward penetrating those markets. I wish the talented and prudent Bulgarian businessmen would utilize the same energy in their attempt to penetrate the Russian markets.

[Nedyalkov] The media often carry reports that the Russian companies are insolvent.

[Avdeyev] Yes, they really are insolvent in their contacts within Russia, because their payments pass through Russian banks, which block them because of their commercial interest. However, the insolvency issue does not exist in export-import. The problem is of a different nature: it is complicated to use Rubles and leva in making payments, and therefore, dollars must be used. I know of only a few cases in which Bulgarian and Russian companies have not fully completed their payments. The difficulties are caused by the payments system.

[Nedyalkov] How do you view the restoration of regional relations?

[Avdeyev] These are the most reliable relations. Bulgarian business underestimated the importance of direct partnership relations between the regions. Only now can one note interesting contacts between local structures in Bulgaria and the Urals, Tatarstan, and Bashkiriya. Direct relations allow the partners to avoid Moscow and concentrate on the utilization of the entire industrial potential that exists in the Russian regions. Such contacts are simpler and involve less bureaucracy and fewer intermediaries. The regions also have the potential to make payments in raw material and other materials, if it is difficult to use currency for this purpose. One can only hope that the caretaker cabinet and the future cabinet will encourage direct local contacts.

[Nedyalkov] Is it possible to revive economic contacts after resolving the issue of the Russian debt to Bulgaria?

[Avdeyev] The negotiations on establishing the amount of the debt have ended. We owe Bulgaria $100 million. This is not a large amount. We will pay the debt with industrial goods, as Bulgaria requested. A contract has already been concluded between Kremikovtsi and Uralmash. We will pay the second part of the debt with spare parts for the Army. The issue has been resolved in principle, and the agreements do not include payments with oil or gas. Russia will fulfill its obligations precisely. Sufficient development opportunities exist for both the Russian and Bulgarian business.

Videnov Visit to Greece Called Sign of Good Ties

AU1611141194 Sofia DUMA in Bulgarian 10 Nov 94 p 4

[Editorial: "BSP and PASOK Together Now and in Future"]

[FBIS Translated Text] When the leftist wave in Eastern Europe in mentioned people usually mean Lithuania, Poland, and Hungary. They somehow forget that socialist governments govern most Balkan states. It suffices to mention Greece, Romania, Yugoslavia, and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] to understand that the renewed socialist and leftist parties and movements already dominate the Balkan peninsula. Therefore, the attention and hospitality given by Greece, where the Panhellenic Socialist Movement [PASOK] rules, to the delegation of the Bulgarian Socialist Party [BSP] and its chairman, Zhan Videnov, are a natural phenomenon.

Received on the day of arrival by Greek Prime Minister Andreas Papandreou, who also is deputy chairman of the Socialist International, the leader of the Bulgarian Socialists satisfied the hosts' interest in Bulgaria's election campaign, the chances of the BSP and the leftist forces achieving a great election victory on 18 December, and their plans to make profound changes in Bulgaria's economic and sociopolitical life.

The statement on the Videnov-Papandreou talks notes that if the forecast of a clear victory in the upcoming elections proves true, there is a good chance of turning the active and positive interparty relations into interstate relations. We welcome the fact that this is what Athens wants, because Bulgaria and Greece could play a much more active role in seeking political solutions to the existing military conflicts and stabilizing peace and security in the Balkans.

Our state clearly opposes a policy of "axes," reviving the old "ententes" and developing interstate relations in a priority manner to the detriment of other states. However, the friendship between Bulgaria and Greece, two countries united by many common goals and interests, must not create doubt or suspicion in our other neighbors. Being a partner of PASOK the BSP is convinced that the policy of the socialist Greek Government is a policy of equal and mutually beneficial partnership, rather than one of confrontation and antagonism. In this context the Bulgarian Socialists are convinced that a formula for resolving the dispute between Athens and Skopje will soon be found, especially as a coalition with the participation of the Social Democratic Alliance and the Socialist Party won the last parliamentary elections in the former Yugoslav republic.

The BSP does not conceal its sympathy for and solidarity with the party of the Greek Socialists and it is quite logical that it wishes PASOK complete success in its enterprises for the benefit of the working people and all Greek people. The current visit of the leader of the Bulgarian Socialists to Greece is taking place within the framework of the constantly expanding contacts between the two Socialist Parties. It will also mark an important stage in the dialogue between Sofia and Athens. This is understandable, because in its international relations the BSP has no interest other than the interests of Bulgaria and all Bulgarians.

Motor Breaks Down at Kozloduy Nuclear Plant

AU1611153094 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 16 Nov 94

[FBIS Translated Text] The electric motor of the main condensate pump of the No. 7 turbine in the No. 4 Reactor Unit of the Kozloduy Nuclear Power Plant broke down this morning, BTA was told by the nuclear plant's information center. The standby pump switched on automatically, thus preventing any interruption in the unit's operation. The pump was installed in the turbine hall and was connected with nuclear safety [as heard].

The Nos. 1, 2, 4, and 5 Reactor Units of the Kozloduy Plant are operating at their nominal capacity, while planned maintenance work continues on Units Nos. 3 and 6.

Soares Advocates Czech Entry Into EU, NATO

LD1611204594 Prague Radiozurnal Radio Network in Czech 1700 GMT 16 Nov 94

[FBIS Translated Excerpt] The official visit of Portuguese President Mario Soares to the Czech Republic continued in its second day today. Zita Senkova reports on today's talks:

[Senkova] Mario Soares spoke in favor of the development of Czech-Portuguese cooperation in all spheres. Personally, he cannot see any obstacles preventing the Czech Republic from being accepted into the European Union [EU].

The Portuguese president supported the need for restructuring of NATO and stressed that NATO must also include democratic countries in Central and East Europe.

[Begin Soares recording in Portuguese, fading to Czech report] The Czech Republic is one of the countries that have the greatest chance of becoming members of the European Union, Portuguese President Mario Soares said at the meeting with the representatives of the clubs of the Deputies' Chamber. At the same time, he stressed that integration must be advantageous and fruitful for both sides, for both the countries undergoing transformation and the Union.

I think, Mario Soares went on to say, that Europe should be based on solidarity. We all have the right to contribute, jointly and individually, toward the development of Europe. Small nations, too, should attach significance to common interests. Small countries and nations, according to Soares, should have equal rights. [passage omitted] [end recording]

FM Zieleniec Views Situation in Ministry

AU1611130494 Prague DENNI TELEGRAF in Czech 10 Nov 94 p 3

[Interview with Foreign Minister Josef Zieleniec by Kristian Chalupa in Brno; date not given: "We Have Opened the Doors to the Young People Who Are Beginning Their Diplomatic Careers"]

[FBIS Translated Text] [Chalupa] Vaclav Klaus has spoken about various pressures that are slowing down progress. Are there also certain internal pressures that are putting the brakes on your ministry's work?

[Zieleniec] Foreign policy is viewed by all political parties as something that should have an impartial, consensual character, as something that proceeds from our national interest. For this reason, it is not the subject of such clear-cut political rivalry. This is desirable because we should proceed jointly in the fundamental issues of national interest. It facilitates the work of the ministry and the minister. Alternatively, it goes without saying that this places demands on maintaining a consensus and on communicating with the opposition parties and the coalition parties. This means that I do not see brakes of the kind you mentioned in my work. On the other hand, of course, this department is perhaps marked more than many others by the past. Under communism, it was one of the pillars of power that not only obediently exerted the will of the communist party but was also an element of Soviet foreign policy objectives. Therefore, the changes in it had to be far more thorough than in the other bodies of state administration. I applied the screening law very effectively. I personally appoint all of our diplomats. This means that it is not only all of the senior staff that comes under the stipulations of the screening law. The percentage of people that came into the ministry after 1989 is, in my opinion, one of the highest, if not the highest, in the state administration. Seventy to 75 percent of the people here did not work in the Foreign Ministry before 1989. Naturally, it is important to continue in this direction. I have many young colleagues. We have literally opened the doors to the young people who are now beginning their diplomatic careers. And this has been worthwhile.

[Chalupa] Slovene President Milan Kucan expressed certain concerns recently that Europe could be more permanently divided into a stable part and a conflictive part. Do you share these concerns?

[Zieleniec] This issue is the responsibility of all Europeans. It is the responsibility of the West to make sure that artificial barriers are not created during the integration process, that the divisions from another era, from the era of the communist threat to the whole world, are not maintained. However, it is also our responsibility to make sure that the Czech Republic is transformed into a state similar to that in Western countries. This means making sure that our society is fully democratic, that all of the institutions of parliamentary democracy function here, and that our economy is as efficient as the economies in developed states. So, I would devote myself to work at home rather than to making complaints. This is, in the final analysis, the Czech Republic's strategy. Before clamoring for entry somewhere, it is necessary to show that we are a worthwhile partner.

[Chalupa] President Kucan is not so concerned about his own country as about the region of former Yugoslavia where there is fighting....

[Zieleniec] The conflict we are monitoring in the former Yugoslavia is a conflict in which there are two types of responsibility. For one thing, there is the responsibility of the international community with all of the limits this involves. That is to say, the international community is not capable of fixing everything. These conflicts are so terrible and so deeply rooted in history that the combined forces of all of the world's key powers cannot do much about it. It seems that the conflict on the territory of the former Yugoslavia has these dimensions and that the main responsibility for resolving this conflict lies, in the end, with those waging it. This does not mean, of course, that the rest of the world should not attempt to do so. However, it is important that the warring sides realize that the peace demanded of them by the world is not only a problem for it but is, first and foremost, their problem.

[Chalupa] In connection with the assertive postelection onslaught of Meciar's HZDS [Movement for a Democratic Slovakia] in Slovakia, a number of people in our country are expressing concern that this could lead to a worsening of relations between the Czech and the Slovak Republics. What is you opinion?

[Zieleniec] Assertive onslaught... The new Slovak parliament has been functioning for a few days. There is no new government yet. Fundamental personnel issues are being dealt with. I think it is necessary to wait until things stabilize, until we find out what the main policy aims of the new Slovak Government are, and until we ascertain its personnel composition.

New Defense Minister To Continue Baudys Policy

95CH0036C Prague PROGNOSIS in English 8 Oct 94 p 8

[Article by Richard Byrne Reilly: "With Its Chief Out, Where Is the Czech Army Headed?"]

[FBIS Transcribed Text] A reassuring President Vaclav Havel and several top defense officials say that ex-Minister Antonin Baudys's speedy dismissal from the top of the Czech military last month won't disrupt the delicate, top-to-bottom overhaul of the country's military.

But among some military circles and elsewhere, the removal of the man who sat atop the transformation process—aimed at making Czech forces NATO (North Atlantic Treaty Organization)-compatible and more efficient—raises doubts about where those efforts will end up.

Speaking on his weekly radio address to the Czech nation in late September, Havel said the process of restructuring the armed forces would proceed according to plan and that it was in the country's best interest that the task be carried out effectively. Havel added that it was imperative that flagging public confidence in the fledgling armed forces be restored.

A successful restructuring of the military is imperative if the Czech nation is to join the 16-country NATO alliance. According to a recent article in THE ECONOMIST, the Czech Republic and Poland, both former members of the Warsaw Pact and signees of the 22-member Partnership for Peace pact, stand at the forefront of those looking to join NATO, mainly because they are rapidly stripping away remnants of their Communist past and implementing democratic policies.

But if the restructuring process currently underway becomes hampered, NATO officials said, the prospects for joining the alliance in the near future could well be derailed. A Czech armed forces in flux would be a detriment and therefore not a welcome addition to the West European-dominated security structure.

The Czech military is currently struggling to downsize its numbers from 82,000 to 65,000 by the end of 1995 and in the process weed out the excessive numbers of officers dominating its ranks. There are currently more officers in the Czech army than soldiers, a situation unheard of in Western armies.

The status of Slovak nationals currently serving has also been a thorn in the side of the Defense Ministry as many have refused to accept Czech citizenship. To keep their jobs, Slovaks are required to apply for Czech citizenship under a decree issued by former minister Baudys.

The issue of acquiring Western-made military hardware, such as U.S.-built F-16 fighters, is also at the fore, but this remains uncertain in the face of a shrinking defense budget.

The Czech military has further been plagued with a rising death toll among its peacetime ranks, and has been reeling from a considerable series of international embarrassments at the hands of its former minister. A recent poll showed that a majority of respondents had no confidence in the Czech armed forces.

Hungary and Slovakia have also made clear their desire to join the NATO ranks, but their prospects at this period appear dubious at best, THE ECONOMIST article stated.

Baudys was axed from his position after demands from his own political party, the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL), that he be replaced.

The new defense minister, Vilem Holan, told journalists that the mission of the armed forces would essentially remain the same as it was under Baudys's tenure, but that certain personnel changes would be forthcoming. Holan, who was tapped for the job by Premier Vaclav Klaus, was sworn in by President Havel.

The 56-year-old Holan, a KDU-CSL member whose last post was the number-three man at the Foreign Ministry in charge of Asian, African and South American affairs, added that the objective of integrating the Czech military with NATO members was still very much at the top of the armed forces agenda and that he would strive to sharpen the effectiveness of the soldiers serving under him.

Holan also said he would restore "due military honor" to the badly demoralized army and ease the fears of mothers whose sons currently serve.

But despite reassurances from politicians and Defense Ministry sources that the restructuring would continue, there remained a lingering suspicion that the process had been dealt a severe blow with Baudys's dismissal. It was Baudys who initiated in earnest the transformation process when he inherited the job in January 1993.

A Western defense correspondent who has written extensively on the Czech military said that with Baudys's departure, the precarious transformation had been dealt a decided setback.

"There's no question that this will hamper the restructuring process. It's a serious setback, and the question now is if the military are capable of recovering," he said.

Alluding to Holan, a civilian whose qualifications in the past include employment as a technician in a coal mining company in Ostrava and knowledge of "theoretical cybernetics," he added: "It remains to be seen whether he's the man for the job."

Holan is the third civilian to hold the post since the political changes swept Czechoslovakia five years ago.

Deputy Defense Minister Miroslav Kalousek also told the daily LIDOVE NOVINY that Baudys's dismissal could "tragically influence the transformation of the army."

One colonel at the Defense Ministry, who requested that his name not be used, said that the exit of Baudys had left the ministry entirely up in the air. Referring to the new minister, who never served in the military, the colonel said: "Whatever the hell happens now is anybody's guess."

For its part, the Defense Ministry denied that Baudys's long-expected downfall had thrown a monkey wrench into the delicate restructuring process.

"Absolutely not. The transformation and downsizing of troops, as well as the procurement of new weaponry, will continue according to the terms set by Parliament," said Capt. Oldrich Holecek, a Defense Ministry spokesman.

Economy Minister Discusses Strength of Koruna

AU1611130594 Prague HOSPODARSKE NOVINY in Czech 25 Oct p 7

[Article by Economy Minister Karel Dyba: "The Process of Real Appreciation of the Koruna Will Continue"]

[FBIS Translated Text] Like all small countries, the Czech Republic exports a substantial and ever growing part of its total production. The funds generated by exports facilitate imports of the goods we are unable to produce more cheaply at home. How much and what we export and import depends also on the relationship between our prices and prices of similar products abroad.

Price comparison can be made by means of the exchange rate either by figuring out the foreign prices in korunas or by expressing our prices, for instance, in German marks [DM]. Tourists compare prices this way every time they look into a shop window. Foreign merchants import our goods only if they can sell them on their market cheaper than similar products of local provenance or from other countries. Similarly, foreign goods are brought to our market only if they are cheaper than domestic goods.

If the exchange rate of the koruna against other currencies were such that prices of all our products expressed in foreign currencies would be higher than foreign prices, nothing could be exported. On the contrary, in such a situation, all imported goods would be cheaper than ours, and our production could be replaced by imports. Of course, in real life, such a situation is not feasible. If we disregard short-term solutions (the possibility of importing on credit or paying for imports from foreign currency reserves), every country must export in order to generate funds for imports. Every country has a comparative advantage in exports of certain types of goods that it produces cheaper than other exporters. Therefore, there is a close relationship between the price level, the exchange rate, and the competitiveness of each country. In simple terms, the lower domestic prices are (expressed in comparable currency) than prices abroad, the better the ability to compete with foreign products and vice versa.

The Purpose of the Exchange Rate

Together with the price liberalization, one of the fundamental measures of the transformation process was the introduction of a new single exchange rate for the koruna. To maintain internal convertibility, the koruna was devalued against the foreign currency basket in order to make most of our products more competitive against their foreign equivalents. The exchange rate was "undervalued" in relation to the so-called purchasing power of the koruna. The nominal value of the koruna declined as a result of the devaluation on 1 January 1991 to 53 percent of its original value in early 1990.

The effect of the undervaluation of the koruna on exports and imports can be illustrated by the following example: Let us assume that, before the beginning of the reform, in early 1990, a T-shirt cost DM10 in Germany, while a similar T-shirt cost 100 korunas (Kc) in the Czech Republic. Using the then exchange of Kc9.52 to the mark, the German shirt cost Kc95.20. Thus, using the current prices and exchange rate, the Czech manufacturer could not export the T-shirts to Germany. Let us further assume that the price did not change in Germany until 1991, remaining at DM10. The price liberalization, however, led to the price of Kc145 for the Czech T-shirts, and the exchange rate rose to Kc18.30 to the mark. In other words, the inflation of 45 percent was accompanied by a 92-percent devaluation of the koruna. Since the devaluation was larger than the rate of inflation, a real undervaluation of the koruna occurred. A comparison of prices (in either of the currencies) shows that, thanks to the real undervaluation of the koruna, the Czech T-shirt could have been exported to Germany at DM7.90

(expressed in korunas, the Czech T-shirts could have been sold in Germany at Kc183). This example illustrates the competitive advantage bestowed on the Czechoslovak manufacturers by the reform thanks to the undervalued rate of the koruna.

The aforementioned example demonstrates that a devaluation of the koruna works in favor of exports and, at the same time, as protection against imports. The increase in Czech prices does the opposite! If, in the given example, the price increase exceeded the rate of exchange-rate devaluation, the price of the Czech T-shirt would increase so as to render exports to Germany impossible. Instead of purchasing T-shirts from Czech producers, our merchants could import them more advantageously from Germany, and the local production would have to be halted.

Indicators of Competitiveness

Therefore, it is necessary to concurrently monitor the development of the exchange rate and prices both at home and abroad by means of the so-called real exchange rate. The real exchange rate (RK) is the ratio of foreign and domestic prices expressed in a common currency. The appreciation of the RK—that is, a faster rate of increase in domestic prices than prices abroad—means the loss of domestic competitiveness.

Because of devaluations, the index of the real exchange rate of the koruna declined at the end of 1990 to 67.5 percent of the original value on 1 January 1990. A one-time improvement of our competitiveness took place. Because of the faster inflation in the Czech Republic than in the countries of its main business partners, however, given the firm rate of the koruna, prices of Czech products expressed in foreign currencies are rising faster than prices of the foreign competition. The real exchange rate is appreciating. Because supply and demand for most of the imported and exported goods are price sensitive, an inevitable consequence at a certain point of the real appreciation of the koruna is a decline in foreign demand for our exports and, at the same time, a decline in domestic demand for Czech goods.

The need to curb price increases as much as possible during the transformation period led to the choice of a firm exchange rate and temporary wage control. Certainly, even wages rose slower during 1990 than the liberalized prices. The reduction in real wages had a strong impact on slowing down inflation. At the same time, the initial drop in real wages was steeper than the decline in labor productivity and manifested itself in a substantial reduction (by 35 percent) of so-called unit labor costs in industry—that is, the ratio between real labor costs and labor productivity. In the case of most of our business partners from economically advanced countries, a moderate price growth was compensated for by a moderate increase in labor productivity, and their unit labor costs did not substantially change in 1990-94. The development in our unit labor costs in industry thus also approximates their relative change regarding the unchanged unit labor costs of our main business partners. The development of relative unit labor costs is, similar to the development of the real exchange rate of the currency, one of the fundamental indexes of competitiveness.

Advantages of Exporters

Following the initial rapid fall in both indexes at the beginning of the transformation period, their development has been determined, above all, by the increase in prices and wages and in the case of unit labor costs also by declining labor productivity. The unit labor costs have already reached the level of 1990, and the index of the real rate has actually exceeded that level. This means that the initial advantage of the undervalued exchange rate and lower labor cost has been exhausted.

The predevaluation situation on 1 January 1990, with which we compared the development of both indexes, was not, however, a state of equilibrium. The fact that the indexes of the real rate or unit labor costs exceed the prereform level does not in itself mean much. Nevertheless, as the present faster growth of imports (19 percent in comparison with last year) than exports (7 percent in comparison with last year) indicates, a gradual loss of competitiveness acquired by the devaluation may be happening. A return to the original predevaluation level, when the nominal rate of the koruna was also undervalued with respect to the rate based on the comparison of purchasing power of the koruna and the mark or the dollar, confirms the still substantial competitive advantage of our exporters based on the exchange rate of the koruna. Only the additional "cushion," brought about by the 1 January 1991 devaluation, has disappeared. Many exporters have used the past four years, however, to establish their goods on the Western markets, to significantly change their equipment and also the quality of their products, their conduct with respect to terms of delivery, service, and so on. These changes fundamentally improved their new competitiveness, and they must remain one of the pillars on which they will build because it can be expected that the process of the real appreciation of the koruna will continue. For some time to come, the increase in prices in the Czech Republic will most likely be higher than in our foreign partners, and the continuing inflow of foreign capital is exerting more pressure on strengthening the rate of the koruna than otherwise.

If we want to continue raising real wages and improving competitiveness—and we must do both in the interest of the increase of the living standard—the only long-term route to the reduction of unit labor costs and inflation is faster growth of the productivity of labor. That is, above all, the task for the managers and employees in the enterprise sector.

General Joulwan Interviewed on Eve of Visit

AU1611163294 Bratislava SME in Slovak 14 Nov 94 p 6

[Report on interview with General George Joulwan, commander in chief of NATO Allied Forces in Europe, by Robert Hajsel, TA SR correspondent in Brussels, in Mons on 7 November: "Joulwan About Slovak Republic's Entry Into NATO"]

[FBIS Translated Text] General George Joulwan, commander in chief of [NATO] Allied Armed Forces in Europe, will arrive tomorrow for an official two-day visit to the Slovak Republic.

It will be the first visit to Slovakia by this supreme NATO military chief, although Joulwan's predecessor in this post, General Shalikashvili, did visit Bratislava in the summer of 1993.

As was emphasized by the head of the allied forces' commander in chief's personal office, George Joulwan will be received in Bratislava by President Michal Kovac and outgoing Prime Minister Jozef Moravcik. Gen. Joulwan, who is simultaneously commander in chief of U.S. forces in Europe, will hold talks on military cooperation between NATO and the Slovak Republic with Defense Minister Pavol Kanis and the Slovak Army's top representatives.

Asked whether he expected Gen. Joulwan to meet with Prime Minister Designate and Movement for a Democratic Slovakia Chairman Vladimir Meciar, the office head said that the general intended to conduct talks only with the official representatives of the state and the government and not with representatives of political parties. "If Mr. Meciar forms a government by then, Gen. Joulwan will surely be pleased to meet him," he added.

After his stay in the Slovak Republic, Gen. Joulwan will leave for Prague, where his official visit starts on 17 November.

Gen. Joulwan, commander in chief of Allied Forces in Europe, does not have the impression that Slovakia does not figure among the first serious candidates for NATO entry, he said in an exclusive interview with the TA SR correspondent on the eve of his two-day official visit to the Slovak Republic.

Gen. Joulwan says he was pleased by the Slovak Republic's swift response to the Partnership for Peace [PFP] initiative. "It is a very positive fact that Slovakia was among the first countries to sign the PFP framework document, participated in two joint exercises of the ground forces, and is one of eight countries to maintain a liaison officer at the PFP coordinating center at Mons," he stressed, adding that it was necessary to continue in this direction.

During his visit to the Slovak Republic, he intends to meet with the highest state, government, and Army representatives to discuss with them issues related to the Slovak Republic's further participation in the PFP program as well as the further development of cooperation between NATO and the Slovak Republic. Gen. Joulwan refused to comment on the political situation in Slovakia following the early parliamentary elections. "I am not competent to comment on political developments in the Slovak Republic," he said.

Asked what was the greatest obstacle to the speedy admission of Central and East European countries into NATO, he said that a reply to this question must be given by politicians. According to the general, the recently deceased NATO Secretary General Manfred Woerner used to stress that the question was not "whether but when." He believes that specific conditions for the acquisition of NATO membership comprise the attainment of due progress in building democracy, civilian control of the armed forces, and the candidate state Army's military compatibility with NATO armies. In this context, Gen. Joulwan stressed that "now we have to concentrate on what is in our hands...and that is the PFP."

"Even though participation in the PFP does not extend to the partner countries security guarantees as NATO membership does to NATO member states, in the event of a threat to their country, the partners can ask the North Atlantic allies for consultations, which is very important," he said in response to the TA SR correspondent's observation that politicians of Central European countries were not fully satisfied with a partnership that provides no security guarantees to their countries. "It is premature to speak about the specific functioning of the mechanism of consultations," he noted, adding that, in the event of a justified request for consultations, these would take place in the North Atlantic Council. "We (the military command) would then receive instructions from there. The nature of these instructions would, however, depend on the contents of the consultations and on specific conditions." Gen. Joulwan is convinced, however, that a situation in which consultations would become inevitable will never arise. "We must prevent such a situation from arising and must, also through the PFP program, reinforce an atmosphere of stability and trust," he added.

Gen. Joulwan said that the PFP is a two-way street because the partner countries participating in joint military exercises, too, could show NATO member countries many things. The first exercises in Poland, Norway, and the Netherlands have demonstrated, according to him, that much remains to be improved with regard to mutual cooperation among units of various states. He identified as the greatest problems the sphere of language communication and that of command and control. He stressed that all exercises conducted thus far were at a very low level, involving only platoons and companies. However, such were the instructions from the NATO political command. The exercises' assignment was to practice cooperation in peace and humanitarian missions, as well as in peacekeeping missions. Gen. Joulwan is convinced, however, that, in the course of next year, battalions also and possibly brigades will participate in similar exercises. "To be able to cooperate in such missions, we must first practice cooperation in small units. Different states' armies have varying standards of training, operate on the basis of disparate military doctrines, and have different approaches to the fulfillment of tasks," he said.

The commander in chief of Allied Forces in Europe is of the opinion that Europeans and North Americans have at present a unique opportunity to develop dialogue and mutual cooperation. "To understand one another better, we must try to build an atmosphere of trust. Continuing along this path is of great significance because it will allow us to guarantee the security of not only one country or one group of countries, but of the entire European region."

Compliments Army on Achievements

LD1611231194 Bratislava STV 1 Television Network in Slovak 1830 GMT 16 Nov 94

[FBIS Translated Excerpt] During the second day of his visit to Slovakia, General George Alfred Joulwan, NATO supreme allied commander in Europe, was received by Slovak Prime Minister Jozef Moravcik. Moravcik and Joulwan informed one another about the transformation processes taking place in Central European countries, about these countries' relations, and about their ambition to join West European political and security structures.

Military cooperation has been the major topic discussed by Gen. Joulwan and Defense Minister Pavel Kanis in the presence of Jozef Tuchyna, chief of the Slovak Army General Staff. Gen. Joulwan emphasized that the purpose of his visit has been to listen and learn as much as possible about the status of our Army and its place in the eyes of the public.

At the news conference, Gen. Joulwan praised the achievements of our troops during the joint exercises in Poland and the Netherlands, which, as he suggested, were the first concrete fulfillment of the principles of the Partnership for Peace and presentation document. [passage omitted]

[Begin Joulwan recording in English with superimposed Slovak translation] The current political situation is an issue for the politicians, though we touched on it in general terms, too. I have to express my conviction that Slovakia is on the right track and is able to achieve its goals. [end recording] [passage omitted]

Prime Minister on Talks With Gen. Joulwan

LD1611153794 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 16 Nov 94

[FBIS Translated Text] The two-day visit to Slovakia by General George Joulwan, NATO Supreme Allied Commander Europe, continues. Following his meeting yesterday with President Michal Kovac and his talks with Pavol Kanis and Eduard Kukan, the U.S. guest was received by Slovak Prime Minister Jozef Moravcik this morning. After the meeting at the government office, editor Jan Baranek asked Jozef Moravcik to assess the talks with Gen. Joulwan:

[Begin recording] [Moravcik] The general perceives very sensitively and with great understanding the situation in which Europe, specifically postcommunist Europe and Central Europe, currently finds itself. I am very glad that he is optimistic, just as I am optimistic about the unequivocal development in Central Europe toward democratic institutions. We all realize that forming and strengthening democracy, creating democracy as a firm system with logical rules, requires certain time, that this process has its specific rules in the individual countries. I highly appreciated his feelings about Slovakia and the prospects he expressed for Slovakia and for Slovakia's integration into Europe's's political and military structures.

[Baranek] Prime Minister, do you feel that the current crisis in Slovakia could weaken the significance of Gen. Joulwan's visit?

[Moravcik] I do not think it should weaken the significance of his visit. On the contrary, I think it is very significant. We have a clear foreign political orientation. On the basis of my contacts with the people, the citizens of Slovakia, I can clearly say that Slovakia accepts this foreign political line, that it is useful for Slovakia. Such visits are very important for us so that we can maintain contact with democratic Europe.

[Baranek] What guarantees can we give NATO that the government that comes after your government will continue on the course you have embarked upon?

[Moravcik] The majority of the political parties represented in parliament unequivocally support this orientation. For the time being, I have not heard a view that contradicts the foreign political orientation. [end recording]

[Announcer] The NATO supreme allied commander's visit continues today in talks with Defense Minister Pavol Kanis and a news conference.

Kukan Opposes Lifting Yugoslav Arms Embargo

AU1711113694 Bratislava PRAVDA in Slovak 15 Nov 94 pp 1, 20

[Article by Milan Rusko Noordwijk: "Atmosphere Tainted by Bosnia"]

[FBIS Translated Excerpt] The Western European Union [WEU] Council of Ministers was in session in the Netherlands seaside resort of Noordwijk yesterday, together with the WEU associate partners. [passage omitted] The Slovak Republic was represented by Minister of Foreign Affairs Eduard Kukan and Defense Minister Pavol Kanis. [passage omitted]

The meeting of ministers was addressed also by Eduard Kukan. He said that the Slovak Republic seeks to contribute to European security at two levels: at the regional level, within the framework of which it develops and strengthens good relations and cooperation with all neighbors, and at the Pan-European level, by its participation in existing security structures and cooperation with NATO and the WEU. In this context, he stressed that Slovakia's basic orientation concerning security is to become a full-fledged member of both these alliances. He supported the idea of establishing international forces, which is also contained in the declaration of Noordwijk.

He stated: "We support all measures leading to arms control and disarmament in the Balkans as an inseparable part of a peaceful solution to the conflict there. From our point of view, lifting the embargo on supplying weapons to the former Yugoslavia will not bring any positive results." [passage omitted]

Criticism of U.S. Decision

AU1711080094 Bratislava PRAVDA in Slovak 14 Nov 94 p 11

[Commentary by Julius Loerincz: "Ominous Portent of Complications Ahead"]

[FBIS Translated Text] Why did U.S. President Bill Clinton actually decide to suspend U.S. participation in monitoring the embargo on arms supplies specifically for the Bosnian Muslims (Does the embargo, according to U.S. understanding, still apply to others)? This question has become even more acute after U.S. Secretary of State Warren Christopher's shrewd statement in Jakarta, Indonesia: "I do not think this decision will not have any impact, nor do I think it will have a great impact because others will fight for the observance of the arms embargo." Did the Americans simply want to wriggle out of Bosnia? Let others take care of the embargo. We are not going to interfere! But, at the same time, they want to continue to make sure that no weapons of mass destruction and surface-to-air missiles, which could jeopardize UN peacekeeping operations and the support and deterrent mission of the NATO air force, get into the hands of even the Muslims in Bosnia-Herzegovina! How do they intend to do this? Incidentally, there were discussions several months ago about U.S. antiaircraft Stinger missiles, which the Americans once delivered to Afghanistan and over which they subsequently lost control, being used in Bosnia-Herzegovina, precisely on the Muslim side.

While Christopher denies this, it is apparent that Clinton decided to take this step under the impression of Tuesday's U.S. Congressional elections, in which conservative Republicans, who want to enforce a tougher line in U.S. foreign policy in areas of conflict and also against Russia, gained majorities in both the Senate and the House of Representatives. Even before the election, Congress, rather one-sidedly, identified the Serbs as the sole and main culprits of the conflict in Bosnia-Herzegovina, and Clinton now has the chance to demonstrate a "firmer stand." It also cannot be ruled out that the "Bosnian decision" was a reply to Moscow, which has been very active in the Gulf region of late and, apparently, scored points by contributing to the Iraqi recognition of the sovereignty, territorial integrity, and independence of Kuwait.

Washington's course of action has aroused concern not only in Moscow but also in London, Paris, Madrid, and, it can be said, throughout Europe. After all, the United States is the leading power of the NATO pact, which, in cooperation with the United Nations, wants to play a constructive role in the search for a solution to the Yugoslav crisis. Now, however, the United States has assumed a position that differs from that of the other members of the Alliance. Besides, the United States is, together with Russia, Germany, France, and Great Britain, a member of the Contact Group for former Yugoslavia, which worked out a plan for a peaceful settlement in Bosnia-Herzegovina. The discord within NATO and the Contact Group regarding Bosnia-Herzegovina—it is obvious that the U.S. position favors the Muslims—narrows the chances for the international community to exert political pressure in the interest of peace. The French daily LIBERATION was sharp but pointed when it wrote that this is the "beginning of a process that will render the Contact Group inoperative" and will finally lead to "UNPROFOR [UN Protection Force] members pulling out of Bosnia-Herzegovina," both of which will evidently untie the hands of soldiers blinded by the power of weapons.

The United States declares that, even though it will not monitor the observance of the embargo, it will not supply weapons to the Muslims. But is it really able to prevent U.S. weapons from getting there? Hardly. Besides, U.S. advisers have already offered their services to Bosnian Muslims. Following the U.S. decision, the prospects for peace in Bosnia-Herzegovina definitely have not become any more realistic. Rather, it is an ominous portent of the escalation of armament in the Yugoslav part of the Balkans, of new complications, and of the military conflict's expansion.

Meciar Discusses Coalition, Parliament Meeting

AU1611214794 Bratislava SME in Slovak 14 Nov 94 p 2

[Article by "eb": "According to Vladimir Meciar, We Will Have To Wait Patiently for Coupon Privatization"]

[FBIS Translated Text] Kosice—With the exception of Slovak Television cameras, a TA SR photographer, and editors of the eastern Slovak regional daily LUC [Beam], which is close to the Movement for a Democratic Slovakia [HZDS], journalists were barred from HZDS Chairman Vladimir Meciar's meeting with KOSICKY VECER [Kosice Evening, local evening paper] readers in Kosice in the afternoon of 11 November.

Our editorial office has, however, received a tape recording of the meeting, from which we have selected some passages. KOSICKY VECER is to publish a transcript after the local elections [scheduled for 18-19 November].

Asked why he has not been more visible on the political scene after the parliamentary elections, Meciar said, among other things, that they did not want to conduct any talks "so that the postelection development in individual parties is wound up first." Only then, after the attainment of the future partner's stability, did talks start to prevent premature reactions. Meciar said that, in this regard, "the developments went on without me and without my direct influence." The Kosice readers also inquired about Meciar's opinions on Jan Luptak and the Association of Workers of Slovakia [ZRS]. Vladimir Meciar said that ZRS deputies must be given time. When allusions are made to their level of education, it needs to be said that "education is not the only human value." The readers also asked why, when we have Luptak in parliament, we cannot have Bilak there as well. Meciar said that he dislikes the comparison with Bilak because "there was silence when Mr. Kanis, who had been deputy chairman of the Communist Party of Slovakia Central Committee in 1990, was proposed for the post of defense minister." Asked about motives for the refusal to accept the Democratic Union [DU] in the National Council of the Slovak Republic [NRSR], Meciar said that "we have had bad experiences with some of its functionaries." According to Meciar, DU is a club of intellectuals without political structures that, though it claims to be liberal, lacks a clear profile in terms of views and program. He said that Cernak and Knazko, for instance, were "anything but liberals" but that he did not exclude from cooperation those people from DU who are not compromised by their past. He also called attention to the fact that, by refusing to cooperate with DU, the HZDS also respects the view of its voters. Replying to questions regarding the formation of a new government, he said that it would be best if the Christian Democratic Movement [KDH] or the Party of the Democratic Left [SDL] accepted participation in the government, which, however, "they must first sort out within their own parties. I think that, after the local elections, the talks will become much more rational." According to the HZDS leader, it is necessary "to have patience, to wait, to persuade, and to help the partners." Regarding the events of the constituent and second meetings of the NRSR, Meciar said, among other things, that the results of the Prosecutor General's Office were not satisfactory, but that personnel changes could not be carried out earlier for political reasons, that the National Property Fund of the Slovak Republic was exceeding its powers in privatization, and that the electronic media were not giving the same space to all of the political entities. As an example, he said that no HZDS representative had been invited to the 6 November 1994 television discussion program "Kroky" [Steps]. According to Meciar, what happened in the NRSR was quick but necessary. Replying to Kosice readers' questions regarding the transfer of Comenius University Rector Juraj Svec [from the NRSR Education and Science Committee] to the NRSR Environmental Protection Committee, he said that he did not consider Svec an inconvenient person and that he had himself twice offered him the seat of minister of education. He said that he did not consider Svec's transfer to the Environmental Protection Committee to be an insult and stressed that it was being forgotten that Svec is "a professor of medicine and that I, in voting for his transfer, proceeded from the realization that about 50 percent of diseases in the Slovak Republic are caused by the poor quality of the environment." According to Meciar, Svec was given a chance not as a rector but as a DU deputy. KOSICKY VECER readers also inquired about the fate of coupon privatization and asked whether they could buy coupon books and registration stamps without fear of wasting their money. Meciar replied in the affirmative and said that we would have to wait patiently for a reassessment of the coupon privatization project after a government is formed. Out of the 208 billion Slovak korunas [Sk] worth of property to be divided, he said, Sk60 billion will be available for privatization by means of coupons. He also did not dodge a reply to a question regarding his reaction to Czech Prime Minister Vaclav Klaus's statement that, after March 1994, there was not one in the Slovak Republic with whom to negotiate. He replied, among other things, that, not only Vaclav Klaus but also other prime ministers and representatives of a number of European governments "promised their help during my activity in opposition."

Pressure on HZDS To Form Minority Government

AU1611154594 Bratislava PRAVDA in Slovak 14 Nov 94 p 2

[TA SR report: "Dangerous Dual Rule"]

[FBIS Translated Excerpt] [Passage omitted] The Movement for a Democratic Slovakia [HZDS] Press and Information Department has been authorized to declare that the HZDS, as the strongest parliamentary entity, is not renouncing its responsibility to form the government. It is the signatories of the joint statement who are renouncing their responsibility. Immediately after the talks started, the Christian Democratic Movement [KDH] announced that it was going into opposition, the Party of the Democratic Left [SDL] Republican Council decided on 12 November not to negotiate with the HZDS on government formation, and the parties of the Hungarian Coalition refused to conduct any talks whatsoever. This is reported in a statement issued by Dusan Kleiman, head of the HZDS Press and Information Department, that was given to the TA SR yesterday.

If the representatives of the present government coalition really mean what they say and do not want to prolong social tension, they should without delay submit to parliament an account of the fulfillment of their policy statement of March 1994. At the same time, by means of intensive work, they should make up for what they have neglected regarding the preparation of the 1995 budget. It is precisely the neglect of these and other duties on the part of the present government, reflected in the threat of social shocks, that forces its representatives to drive the HZDS by means of unscrupulous political pressure into the immediate formation of a minority government, precluding the possibility of further negotiations on majority support.

In the opinion of the HZDS, the joint statement is motivated by the effort of the present coalition to shed political responsibility for leading Slovakia, by means of the process they launched in March 1994, into the blind alley in which it now finds itself, the HZDS Press and Information Department statement says.

The HZDS Press and Information Department at the same time sharply protests against the statement by Milan Knazko, deputy chairman of the Democratic Union, that the HZDS is seeking a coalition partner for one-off use. Such statements grossly disparage the effort by HZDS representatives to use the coalition talks currently under way to form a stable coalition government for the entire electoral term.

HZDS Ready To Revise NRSR Decisions

AU1611130294 Bratislava SMENA in Slovak 11 Nov 94 pp 1, 6

[Interview with Sergej Kozlik, deputy chairman of the Movement for a Democratic Slovakia, by Igor Stupnan; place and date not given: "Media Power Play Will Not Destroy the Movement for a Democratic Slovakia"]

[FBIS Translated Excerpt] [Passage omitted] [Stupnan] Your course of action in the Slovak parliament [on 3 and 4 November] aroused the indignation of potential coalition partners. Has the Movement for a Democratic Slovakia [HZDS] not slammed the doors on negotiations in this way?

[Kozlik] For about four weeks, we held talks with potential coalition partners. During the last meetings, we warned them that Slovakia was waiting for the result of these talks and that a power vacuum could not be allowed. They thought we would wait for half a year. At the same time, we warned them that our steps would be dynamic. Simply, the time had come for the political train to be set in motion. If one did not board this train, he would lose political points. We considered the constituent meeting of parliament to be the right time to take the first steps in this direction. I am surprised by a certain political immaturity of our potential political partners, manifested in their expressions of surprise over the course of the meeting—their surprise, for example, that the post of National Council of the Slovak Republic [NRSR] deputy chairman was not filled by the Party of the Democratic Left [SDL]. But how could they expect our support when we are unable to find a common language with them at coalition talks? Perhaps this will serve as a certain reminder of what is at stake at coalition talks. They are always about posts in state administration and in the state leadership.

[Stupnan] Do you think the SDL is capable of negotiating with the HZDS?

[Kozlik] I believe it is. We have left the post of NRSR deputy chairman vacant, and, in the course of the meeting, we indicated to several political entities that we could negotiate also on other posts that have already been filled, in the interest of parliament being functional and state power being able to execute its functions. In spite of this, we are ready to hold talks on refilling those posts.

[Stupnan] V. Tkac, chairman of the NRSR Constitutional and Legal Affairs Committee, has initiated the formation of a commission of inquiry into the causes of the parliamentary crisis of March 1994. Only members of the HZDS and the Slovak National Party [SNS] are represented in this commission. The conclusions of a body composed in this way could be assessed as the political decision of two coalition partners. How do you view the establishment of this commission?

[Kozlik] I would like to correct this view. The commission will not make any decisions. It will prepare a report that will surely be detailed and fair, that will then become subject of parliamentary deliberations. The conclusions will be adopted by the NRSR, not by this commission. Its assignment is only to specify the causes that led to the constitutional crisis of March 1994. I believe that the establishment of this commission is warranted. We now have the third government and second parliament since then, and the consequences of the political crisis, the external manifestations of which were changes in the government and parliament, produced enormous social losses. We must deal with the mass transfers of deputies. This was not a question of just two deputies. The events produced an intense polarization of the political scene and called forth the population's social uncertainty. Let us wait for the conclusions of the report and what position parliament will assume on it. [passage omitted]

[Stupnan] Another target of criticism is the post of director of Slovak Radio. This medium is a public corporation. If its chief is a parliamentary deputy who is a party member, it loses the hallmark of being a public institution.

[Kozlik] The former director of Slovak Radio was not a deputy, and we definitely did not have the feeling that this institution was apolitical. After March 1994 and, as a matter of fact, even before that, we found ourselves in a total mass media power play. We have become used to that in these two years. I believe that there has been enough of that. We seek a certain balance within the framework of the mass media. We do not consider the situation normal when the HZDS is being permanently castigated for something. I do not think this castigation is always fully warranted. Whether the radio director should be a parliamentary deputy is another matter. This is a question of the law on the conflict of interests, which can stipulate the final solution.

[Stupnan] Foreign reactions, including reactions from distinguished dailies, to the events of that memorable night in the NRSR have not been flattering. What do you intend to do to dispel those doubts?

[Kozlik] It is a fact that the solution in parliament was more energetic than is customary, which may have undermined trust in these steps. On the other hand, time will show that our course of action was not tied up with the application of undemocratic principles. Strong nerves are needed. I do not expect aversion to the political decisions we have made. The mass media can be manipulated, also abroad. The key thing for us is, rather, foreign political backing in terms of parliament or government. The ambassadors of major countries have themselves had an opportunity to get to know our policy at meetings and to realize that we have never misused our power position.

[Stupnan] Do you not think that reassigning deputies to the Environmental Protection Committee was a rather harsh, though democratic, decision by the parliamentary majority? These deputies could have made better use of their expertise in the committees into which they had been nominated.

[Kozlik] It was, in fact, the parliamentary opposition that provoked this step. Into most committees, with the exception of the Budget, Finance, and Currency Committee, they nominated two more deputies than had been agreed upon. We did not make any changes where the number of nominated committee members was strictly in keeping with the preliminary agreement. Only five deputies had been nominated for the Environmental Protection Committee, and we had to fill it up. What is parliament? A political battlefield on which interests clash. If someone ventures onto this soil, he must realize that he is wearing a political jersey. Even [Rector of Comenius University] Professor Svec [who had been reassigned from the Education Committee to the Environmental Protection Committee] must realize that. We dealt with the situation by simply reassigning deputies for the Democratic Union, toward whom we have a specific attitude.

[Stupnan] In a speech shortly after his election as NRSR chairman, Ivan Gasparovic spoke about the endeavor to raise parliament's level of professionalism. Assigning a recognized expert on education and science to the Environmental Protection Committee is out of tune with those words. What happened to professionalism?

[Kozlik] Wait a minute. Prof. Svec is, first and foremost, director of the Oncology Institute. Oncological diseases are caused by polluted environment. The political solution is one level. The other level is that the parliamentary mechanism allows even people who work in a different committee to realize their professional expertise. [passage omitted]

[Stupnan] The HZDS has signed an agreement on a parliamentary coalition with the Association of Workers of Slovakia [ZRS]. Given the fact that the ZRS does not intend to join a government coalition, does this agreement pertain also to support for laws that will be submitted by your government?

[Kozlik] The ZRS has declared that it would support everything that is in the interest of the people. This means that, when we are interested in pushing through a certain law, it will always be very important for us to convince the ZRS about its prospects for Slovakia.

[Stupnan] According to you, an agreement on governmental coalition must be backed by a parliamentary agreement, while a parliamentary agreement need not be backed by a governmental agreement. Does this not limit cooperation with the ZRS purposefully to a restricted range of problems?

[Kozlik] I would leave out the word "purposefully." We must proceed from the political reality. As long as the ZRS says that it does not want to join the government but is nonetheless ready to hold discussions on the basis of parliamentary support, we are forced to move within the existing bounds and, at the same time, seek new partners. [passage omitted]

HZDS Objects to More Privatization

*95CH0039A Prague PRAGUE POST in English
1 Nov 94 p 4*

[Article by Timea Spitkova: "Ongoing Sell-Offs Rile Meciar Team"]

[FBIS Transcribed Text] Bratislava—Since no new government seems to be on the horizon, Slovakia's outgoing leadership is using the delay to press forward with economic reform and rapid privatization.

Since the September 30-October 1 parliamentary elections in Slovakia gave the Movement for a Democratic Slovakia (HZDS) the responsibility to create a government, the HZDS has been involved in acrimonious coalition talks.

Meanwhile, the outgoing government of Prime Minister Jozef Moravcik has continued with rapid privatization plans.

In the last two weeks, 23 state companies have been approved for privatization, raising the total to nearly 150 large companies worth almost 100 billion Sk ($3 billion) approved by Moravcik's government since March, when HZDS leader Vladimir Meciar was ousted as prime minister.

The reaction of the HZDS to continued privatization following the elections has been hostile. "The decision to continue privatization by approving 12 companies at the most recent government session violates basic moral and ethical principles," reads a statement from the HZDS.

The statement stresses that since the parties represented in the temporary government lost the elections, they have no mandate to sell Slovakia's businesses. The HZDS stated it might re-evaluate projects approved by Moravcik's government.

The HZDS, Slovakia's biggest vote-getter in the recent elections, failed to report on the outcome of coalition talks by the October 18 deadline set by President Michael Kovac. The Slovak parliament reconvenes November 3.

Negotiations to create a coalition government have thus far been futile. Jan Carnogursky, the leader of the Christian Democratic Movement (KDH), ended coalition talks with the HZDS and decided to go into the opposition.

Talks are continuing with the Slovak National Party (SNS), which favors cooperation with the HZDS but is unable to provide enough support to form a government, and with the Association of Slovak Workers (ZRS), which has repeatedly indicated that it would not take part in a government.

The final possible partner is the Party of the Democratic Left (SDL), within which opinions regarding cooperation with the HZDS vary greatly. Right-leaning SDL deputies, such as Deputy Prime Minister Brigita Schmognerova, oppose an alliance with the HZDS. Others, including Pavol Kanis, who is perceived as a rival of current SDL chairman Peter Weiss, say they support cooperation with Meciar.

The HZDS, meanwhile, continues its attacks on the president while attempting to create a government by eliminating the opposition. The HZDS has initiated a constitutional battle with Moravcik's Democratic Union (DU) by which it hopes to invalidate the DU's votes and govern outright.

Some analysts predict a political crisis that could result in new elections and hurt Slovakia's reputation abroad. The European Democratic Union will soon issue an overall assessment of post-communist countries in which Slovakia could be placed in the same category as Romania and Bulgaria.

For those who favor privatization, gridlock seems to have a silver lining. "The fact that the current government is still in office is good for us, since privatization can continue," said Denisa Nova, deputy director of marketing at the Slovak National Agency for Foreign Investment and Development.

Analysts and foreign investors hope that privatization will have gone so far that even a future anti-privatization government will be able to do little to reverse it.

"The wheels are already set in motion; economic reforms can be slowed but not reversed," said Nova.

Despite the political instability, foreign investors are keeping up a positive front.

"It's business as usual," said Iveta Griacova, spokeswoman for the Slovak-American Enterprise Fund, which has committed $22 million to help out small and medium-sized enterprises in Slovakia.

"Positive market economic indicators have recently been recorded, and solid business legislation has been established, which we do not expect to be influenced by the political situation," said Griacova.

The amount of foreign investment has been continuously rising and presently is 10 times higher than during the previous year.

Last month, a Japanese company, Nomura Securities, made one of the largest investments in Slovakia to date, buying up 30 percent of Vseobecna uverova banka, worth a total of $70 million.

But if instability continues, Slovakia is sure to lose potential investors.

"Direct investment needs legislation that is stable and will not tolerate changes in government every half year or year," said Jana Karelova, loan-program coordinator for the Slovak-American Enterprise Fund. "Instability will also affect our small businesses, as ministers keep changing and we have to wait for signatures."

PHARE [Economic Reconstruction Aid for Poland and Hungary], a European Union program that invests approximately 40 million ECU per year in economic, political and social restructuring in Slovakia, may also be affected by the recent elections.

"Some of the programs may be modified, since the new government will have different priorities," said Dusan Ondrejicka, spokesman for the PHARE coordination office in Bratislava.

While PHARE is primarily directed at technical assistance and the transfer of know-how in former East-bloc countries, the EU decided that beginning in 1994, 15 percent of total annual PHARE commitments would be used to finance public investments in major infrastructure projects. In Slovakia, this project may now be canceled.

A program set up to provide affordable loans to small and medium-sized businesses may also be in jeopardy.

"If privatization was stopped," said Maria Hrachovcova, program manager of PHARE in Bratislava, "the dynamics would be lost, business would not have anything to be created from and foreigners would not have a reason to enter the market."

SDL Paper Argues Against Coalition With HZDS

AU1711075794 Bratislava NARODNA OBRODA in Slovak 12 Nov 94 p 2

[Unattributed report: "According to Brigita Schmognerova, Party of the Democratic Left Entry Into a Movement for a Democratic Slovakia Government Is an Unacceptable Risk"]

[FBIS Translated Text] For the Party of the Democratic Left [SDL], Brigita Schmognerova has worked out theses analyzing the possible consequences of the SDL joining a coalition government with the Movement for a Democratic Slovakia [HZDS]. Coresponsibility for the economic and social results of the future government could pose the following risks:

—The HZDS voters' base will expect the government to implement the HZDS preelection promises.

—Relations with the trade unions, which the HZDS used before for a certain confrontation with the government, could come to a head.

—It is necessary to reckon with the transformation process being slowed or revised.

—Ill disposition toward foreign investors will slow or halt the influx of foreign capital.

—Signals sent out by the HZDS and its parliamentary coalition partners thus far bear out the underestimation of the need for Slovakia's integration into global and European economic structures.

—There is a risk of Slovakia's image abroad deteriorating further.

—Judging from the composition of the new National Property Fund [FNM] bodies, National Council of the Slovak Republic committees, and so forth, the HZDS does not avail itself of enough economic experts, which could become manifested in an incompetent economic policy.

Under these circumstances, the SDL would be unable to prevent the growth of social tension by its participation in the government but, quite the contrary, could be turned into a scapegoat, preventing the election winner from implementing his preelection promises.

The questioning of the transformation process, the antidemocratic manner of government, and the incitement of national intolerance will block the entry of foreign investment, halt government loans, aggravate the Slovak Republic's export possibilities, worsen the rating of the National Bank of Slovakia and commercial banks, and call in question the credibility of the FNM, which will worsen conditions for selling its bonds issues to service a part of the state debt in 1995.

The growth of output would be halted, or output could even decline, and unemployment would increase as a result. The 1995 budget deficit would markedly exceed 3 percent of GDP, which would mean a marked increase of prices and credit interest rates and declining living standards. In this case, there really will be a high budget deficit and social unrest, as heralded by Vladimir Meciar.

The SDL's participation in the government cannot change the image of the HZDS abroad, but it will damage the SDL's own image.

The SDL would provide the HZDS with a protective shield in the event of possible instances of unlawfulness in the government, which it would be unable to prevent, in the same way as it would be unable to prevent further concentration of economic power in HZDS hands.

There are no compensations that would offset these disadvantages. The SDL should not enter a narrow government coalition.

SDL's Weiss Warns of 'Political Trials'

AU1711074894 Prague LIDOVE NOVINY in Czech 8 Nov 94 pp 1, 6

[Interview with Peter Weiss, chairman of the Party of the Democratic Left, by Vladimir Misauer in Bratislava; date not given: "Hazardous Game With Slovakia; Weiss: Threat of Political Trials"]

[FBIS Translated Text] According to Movement for a Democratic Slovakia [HZDS] Chairman Vladimir Meciar, the talks on government formation were to continue yesterday. After the Party of the Democratic Left [SDL] Executive Committee's decision to suspend these talks, however, there is no one with whom the HZDS could negotiate. LIDOVE NOVINY spoke with SDL Chairman Peter Weiss about the present situation in Slovakia.

[Misauer] It has been demonstrated in parliament that the HZDS commands a majority. Why, in your opinion, is it delaying the formation of a government?

[Weiss] There is a cynical political game behind this, in which the HZDS wants to literally roast this government because, under the Constitution, Moravcik's Cabinet cannot go before a new government is formed.

We are facing a state of dual rule. This is a hazardous game with Slovakia because the HZDS is now striving to destroy the state by its policy. It is destroying the executive power and wants to profit from chaos and an actual power vacuum. This is an irresponsible game, which Meciar's movement should end by forming a government.

The aim is to establish an atmosphere in which it appears that someone is preventing the HZDS from seizing power, to spread discontent and the psychosis that the country needs a savior. In the background is revenge for 13 March.

The power conditions for this have been created. The HZDS has a majority in the parliamentary Mandate and Immunity Committee. It is also unusual that a former high-ranking officer of the Public Security Corps [communist-era police] is to become prosecutor general. My words that the launching of the commission of inquiry augurs the first political trial could come true.

[Misauer] Views have surfaced to the effect that, by gaining control over television and radio, the HZDS is trying to prepare the public for changes in the constitutional system.

[Weiss] Look, in the Radio Journal, only news reports are to be read, without any comments from individual politicians. Slovak Television's "Aktuality" program is already being filtered today, and there is not much talk about politics in it, which will prevent people from being informed. Propaganda backing for power changes is being created in this way. Besides, as Jan Luptak disclosed in the deputies' dormitory, parliament's next step will be the passage of a law on the protection of the Republic.

[Prague MLADA FRONTA DNES in Czech on 8 November on page 8 carries a 500-word interview with SDL Chairman Peter Weiss by MLADA FRONTA DNES Bratislava correspondent Karol Wolf entitled "Weiss: Meciar Should Simply Take Over the Government." In the interview, the place and date of which are not given, Weiss reiterates his view that the formation of the parliamentary commission of inquiry into the "constitutionality" of the dismissal of the Meciar-led government in March 1994 "could spell the beginning of political trials." Asked about the possible consequences of the parliamentary inquiry, Weiss says that it could result in the loss of mandates for deputies who "prepared and implemented" the events of March 1994. This would be facilitated by the HZDS majority in the parliamentary Mandate and Immunity Committee, "which, in the final analysis, decides on the loss of deputies' mandates," Weiss says. Weiss also calls on Meciar to finally take over the government and thus end his "cynical political game," in which he holds the Moravcik government "hostage," in order to be able to blame it for all problems.]

DU Chairman Urges Assertion of Democracy

LD1611123294 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0900 GMT 16 Nov 94

[FBIS Translated Text] The fact that a section of the population favors politicians who pursue populist or nationalist lines indicates that these people favor the model of civic democracy that most resembles communism. More question marks are hanging over our heads now than we might have expected when we took to the squares in November five years ago. This is what Jozef Moravcik, chairman of the Democratic Union [DU] of Slovakia, said in an interview for TA SR [Slovak Republic News Agency] in connection with the anniversary of the November 1989 events.

Moravcik emphasized that the irreversible nature of the five-year long struggle for positive changes in the political, spiritual, and economic spheres will have to be demonstrated at the present time.

The current efforts of standard political party representatives of the European democratic type and the efforts of that part of the population that favors traditional values of democracy must be aimed at not putting democracy in jeopardy.

In the interview for TA SR, Moravcik also added that, although the results of the early parliamentary elections had shown that not all of the citizens compared what had been said with the real state of affairs, he believed that democracy would be gradually asserted in its full extent.

Reaction to Political State Secretary Appointment

LD1611133594 Budapest Kossuth Radio Network in Hungarian 1200 GMT 16 Nov 94

[FBIS Translated Excerpt] Prime Minister Gyula Horn has dissolved his advisory body. [passage omitted]

The prime minister also decided that as of tomorrow Istvan Fodor will be the political state secretary of the Defense Ministry. At the prime minister's recommendation, President of the Republic Arpad Goncz appointed the previous parliament's Independent deputy, who was also speaker of the house for a short time during the regime changeover.

The Socialist Party [HSP] did not support Istvan Fodor's appointment. According to Imre Szekeres, leader of the parliamentary group, a suitable candidate could have been found within the HSP. [passage omitted]

Laszlo Surjan, chairman of the Christian Democratic People's Party, assesses the appointment of the Independent Istvan Fodor to the post of political state secretary at the Defense Ministry as, in one sense, a sign of opening up to society. According to Laszlo Surjan, this creates part of a self-restraining process which the government should consolidate. He believes that the abolition of the advisory body and the creation of the group was surrounded by too much tension and that it is dangerous to operate an advisory body which frighten the ministries.

Article Views Defense Ministry Militarization

AU1611113494 Budapest HETI VILAGGAZDASAG in Hungarian 12 Nov 94 pp 103-104

[Article by Akos Tomori: "Officer Civilians"]

[FBIS Translated Text] It is possible that, with the departure of Defense Ministry Political State Secretary Andras Toth scheduled for 15 November, another civilian will hand over his position to a (former) soldier in the top leadership of the Hungarian Defense Ministry. Even NATO officials have already mentioned the militarization of the Defense Ministry leadership, and the question is whether this phenomenon weakens civilian control of the army prior to the reform of the armed forces recently announced by the defense minister.

"We are living in the officers' period," one of the Defense Ministry officials, who asked not to be named, said about the changes in the Defense Ministry leadership since the change in the government. This happened after it became known last week that Andras Toth, a Socialist Party political state secretary at the Defense Ministry, will head the prime minister's office beginning in mid-November. There have only been rumors about his successor: The names most frequently mentioned are Sandor Szili, a Socialist Party member and deputy chairman of the Defense Committee, and Janos Sebok, also a socialist and retired general, who was parliamentary deputy between 1985-90 as an active general. "We must rely on the existing talented officers corps," Andras Toth declared at the end of August and said that he "is not aware of any concept" according to which the Defense Ministry might reactivate any general who retired last year. It seems that this declaration referred to the army leadership, and not to the ministry leadership.

The position of civilian state secretary Rudolf Joo, who left voluntarily because of his contacts with the Hungarian Democratic Forum [MDF], was taken by a professional officer, Jozsef Feher, who functioned as head of the Defense Ministry's Administrative and Legal Department until 1992, and was later a staff member of the Institute of Military History. According to Imre Mecs, a parliamentary deputy for the MDF and chairman of the Parliament Defense Committee, Jozsef Feher is an outstanding legal expert. However, the fact that Jozsef Feher was promoted to be a major general on 15 July 1994, one day before his nomination as administrative state secretary, hardly strengthens the illusion of a "civilian ministry."

The position of deputy economic state secretary, which had been held by a civilian, also went to a soldier: Economist Sandor Turjan was replaced by Major General Karoly Janza. The position of cabinet chief, formerly held by legal expert Csaba Hende, who left voluntarily after the change in the government, is now held by Maj. Gen. Csaba Liszkay. However, retired officers took over the actual military line leadership in the Defense Ministry from active officers; retired Lieutenant Gen. Laszlo Borsits, former chief of staff, is now state secretary in charge of military affairs, and retired Colonel Peter Haber, an old comrade of Laszlo Borsits, has become head of the military department. In conclusion, the only civilian in the top leadership is Tibor Toth, who replaced Zoltan Pecze in the position of deputy state secretary in charge of international relations.

However, many people claim that this much "civilian" staff is not enough. After his visit to NATO headquarters in Brussels, Imre Mecs said last week that one of his negotiating partners mentioned the "militarization" of the leadership of the Hungarian Defense Ministry. "I did not hear this argument," Defense Minister Gyorgy Keleti said in reaction to this. Imre Mecs retorted that "a military diplomat of a NATO country accredited in Hungary had also formulated this concern in the past."

According to some signs, it seems that the Defense Ministry leaderhsip is trying to keep secret the military ranks of the deputy state secretaries. According to information originating from the Defense Ministry, there are internal regulations that the people working in the aforementioned position should wear civilian dress if possible. Imre Mecs also came up with other ideas. He thinks the practice by which a civilian minister issues a festive order of the day is unfortunate, and, in his view, the "civilian" deputy state secretaries should avoid adding their ranks to their signatures. [sentence as published] "It is also part of civilian control of the army that the Defense Ministry heads should not think like soldiers," Imre Mecs said.

Of course, many people have different things in mind when referring to civilian control over the Army. Some people think it is a basic requirement that the defense minister should be a civilian; others stress the need to make the Army funds open to the public. The Defense Law of 1993, a law that went into effect at the beginning of 1994, stipulates that parliament has the authority to accept the basic defense principles and the parts of the long-term army development program dealing with the number of personnel and equipment. At the same time, parliament's Defense Committee has the right to supervise the activity of the army, examine the nominees for the position of army commander and chief of staff, and express its opinion regarding the elimination or beginning of certain military activities, as well as the plans on "measures that affect at least 1,000 people." All this, however, does not mean absolute openness, because the prevailing defense minister will decide what are state and military secrets.

"There have been no decisions in the past three years with which the Defense Ministry did not agree," Lt. Colonel Lajos Erdelyi, the Defense Ministry spokesman, told us. The internal reorganization of the Defense Ministry currently under way is "an internal affair" and, according to the law, the defense minister can make such decisions. We learned that, at the end of this reorganization, out of the current 317 people, 287 people will remain at the Defense Ministry. In addition, Lajos Erdelyi said, out of the 30 positions to be eliminated, 23 positions are "officers' positions." It is another matter that there is some "militarization" in the leading positions here too. In the position of head of the defense economic department, the economist Sandor Kovacs was replaced by Col. Nandor Gruber, and the position of head of the department in charge of relations with society and of cultural issues, economist-sociologist Laszlo Dobos has recently been replaced by Col. Istvan Szekeres.

The question is, of course, to what extent do the people involved in preparing the army reform plan regard as important the stipulations of the defense law on the need to have civilian control over the army. Some plans that belong to the Defense Committee, like the plan to abolish the headquarters of one of the military districts, have already become known. Last week, Defense Minister Gyorgy Keleti announced as an almost fait accompli a measure that "affects more than 1,000 people," namely the expected reduction of regular army personnel by some 5,000 recruits. Defense Ministry spokesman Lajos Erdelyi agrees the ministry leadership will have to legalize this measure with the Defense Committee.

Survey Shows 'Deteriorating' Army Conditions

AU1711110494 Budapest MAGYAR NEMZET in Hungarian 16 Nov 94 p 6

[Unattributed report: "Sociological Survey in the Army—Morale Is Lost Without Money"]

[FBIS Translated Text] The professional staff of the Hungarian Army are living under gradually deteriorating financial and subsistence conditions. Therefore, they are looking to the future with diminishing self-confidence and are struggling with disturbances and tensions that also include human and spiritual values. All this transpires from the representative survey carried out by the Sociological Department of the Miklos Zrinyi Military Academy among officers and warrant officers in August 1994.

In this survey requested by the Press Department of the Defense Ministry, among other things, the experts examined the morale of the army's professional staff, the evaluation of the Hungarian Army, and the various opinions regarding NATO and army chaplains.

It emerges from the survey that the morale of the professional staff was as critical in August 1994 as in August 1993. The evaluation (medium bad) basically came from the financial and subsistence conditions; most people claimed a bad or very bad morale came from among those who are unable to make ends meet out of the family's monthly income, and they must sometimes take loans, or can only support their families by very strict budgeting. One-third of professional soldiers with a lastingly bad or very bad morale is largely similar to the over 40 percent of people living below subsistence level, a number gradually increasing.

Below Subsistence Minimum

The people surveyed were greatly dissatisfied with their wages, the financial conditions of their families, the level of social support, the possibilities of earning extra income, living and working conditions, and the protection of their interests and social prestige, discipline, organization, training level, and the reform of the Army.

Most professional soldiers think that the real value of the military budget has deteriorated considerably over the past four years, and so have Hungary's defense potential, the level of military technology, and the living standard and working conditions of the Army's professional staff. The soldiers in the survey saw a considerable improvement in the openness and social control of the army. There is increasing pessimism amongst the soldiers regarding their own future. Some 38 percent of soldiers in the survey view the future with concern, and an identical percentage do so with "skeptical hope." The general morale is worst among officers and warrant officers serving with the troops: They are the most dissatisfied and embittered of all the professional staff. These people have the lowest wages and the greatest burdens, and the lowest rankings are found here. One-quarter of those surveyed say that the morale of their families is tense, and 51 percent regard their workplace morale as tense, while 8 percent regard it as very tense.

Examining the financial situation of the professional staff, the survey showed that the monthly net average salary was close to 30,000 forints, and the net average salary of spouses was 16,500 forints. Close to 9 percent of the soldiers interviewed spoke of regular extra income. Some 6.1 percent of the spouses have some kind of regular extra income, an average of 10,000 forints. It transpires from the survey that close to half of the professional staff (46 percent) live on or below the subsistence minimum, and this percentage constantly increases every year. The soldiers spend more than half of their monthly net income on food and housing. They can spend less than the society's average on cultural and sports activities and on consumer goods. Some 61 percent of the soldiers surveyed do not have any savings; at the same time, more than half of these people owe money to various institutions. The fact that the professional soldiers regard the almost doubling of their current net wages as acceptable for making a living shows the considerable tension between their demands and the real financial situation.

Unprepared Commanders

The survey also examined the evaluation of military organizations. According to the professional staff, the daily activity of the military is mostly affected by the lack of basic training and operational conditions. This is followed by the considerable lack of personnel, while every second person surveyed thinks that the deterioration in military order and general norms of discipline are the main causes of the general bad morale. Almost the same number said that the lack of relevant laws and regulations is causing this deterioration; every third officer and warrant officer blamed the commanders' lack of pedagogical training and psychological preparedness for the existing situation, as well as the non-observance of various rules and obligations. Among the most important steps needed for efficiency, the people in the survey mentioned primarily the creation of adequate financial conditions, an improvement in the level of leadership, and adequate technical supplies. Most of the professional staff agree with the Defense Ministry's efforts to reduce the number of military organizations (70.2 percent) and army personnel (56 percent). However, most people oppose a reduction in military equipment. A decisive majority thinks that the defense budget should provide more funds for improving the living standards, wage increases (96 percent), and technical development (73 percent). Most people mentioned wage increases, the implementation of the armed forces reform, adequate operational conditions, and technical modernization as the most urgent tasks.

It also emerges from the survey that the professional staff are aware that there are certain requirements involved in developing and joining NATO. Most people think that considerable improvements should be made in the professional staff's knowledge of foreign languages and physical fitness (68 percent), leadership preparedness (63 percent), and professional knowledge (62 percent). Every second person surveyed also thinks it necessary to make changes regarding personal health conditions, military knowledge, organizational readiness, and a sense of vocation.

Regarding the Army's legal regulations, it seems that most people think that the new defense law has considerably improved the depoliticization of the armed forces and the national character of the Army. Most people surveyed (47 percent) think that there has been an increase in the number of grievances of the professional staff; according to every third person surveyed, there has been no change in the number of grievances. Most people (68 percent) think that they have the opportunity to speak about unpleasant events at their jobs; one third said that there are no such opportunities, partially because of fear of reprisals. According to the professional staff, conflicts between the leadership and subordinates, between professional and regular soldiers, and among the officers themselves are most characteristic of their surroundings.

According to most of those surveyed, NATO-membership would increase Hungary's security. Some 66 percent firmly support Hungary's NATO membership. Some 60 percent think that NATO membership would be beneficial for the army.

The professional staff were also asked about the institution of military chaplain recently introduced in the army. According to one quarter of the people, this measure was a useful one; while 40 percent of the people do not think that this was useful, with one in three unable to decide on this issue. Some 2 percent would make use of the services of the army chaplain, and 6.4 percent would participate in religious services. Almost one quarter of the people would require spiritual care, and another quarter would not make use of any services of the Army chaplain.

Uncertain Future

The survey concludes that, on the one hand, the professional soldiers agree with the efforts to reform the army; on the other hand, they are concerned about the way the planned changes affect their own lives and future. The most important message of the survey is that, in the course of the Army reform, it will be essential to improve the financial and social conditions of the professional staff. Improving living standards is the most effective means to improve the mood and morale. Every other morale-improving measure can only lead to temporary and short-term results.

Walesa Names Defense Minister Candidate

LD1611165694 Warsaw PAP in Polish 1633 GMT 16 Nov 94

[FBIS Translated Text] Warsaw 16 Nov—The president's press office announced on Wednesday afternoon that Lech Walesa's candidate for the new minister of national defense is Zbigniew Wojciech Okonski.

Okonski worked in the foreign trade department for many years, and, until the end of September of this year, he was the deputy minister for foreign economic cooperation.

PSL-SLD Meets; Pawlak Silent on Defense Head

LD1611141994 Warsaw Radio Zet in Polish 0710 GMT 16 Nov 94

[FBIS Translated Excerpt] Good morning. I wonder why issues of such importance for the electorate, the state and the economy, are discussed so late at night. The coalition meeting between the Polish Peasant Party [PSL] and the Democratic Left Alliance [SLD], which ended at 0230 today, shows that if Prime Minister Waldemar Pawlak keeps a secret during the day, he keeps it at night, as well.

Coalition deputies of both the SLD and the PSL still do not know the name of the president's candidate for the post of minister of national defense. Neither do they known if the manner of changes in that department implemented by the prime minister is a result of his fear of the president or fear of his free will to help the presidential system in an extraconstitutional manner and by means of faits accomplis.

The SLD still does not know why the prime minister does not have the time to sign the list of supervisory bodies for privatization, without which the whole issue is at a standstill. The SLD still does not know what vision the prime minister and his government have of the state and public administration. [passage omitted]

Senate Speaker Cited on Coalition Meeting

LD1611142094 Warsaw Radio Zet in Polish 0715 GMT 16 Nov 94

[Interview with Senate Speaker Adam Struzik by unidentified announcer at the Radio Zet studio in Warsaw—live]

[FBIS Translated Excerpt] [Announcer] Good morning.

[Struzik] Good morning. [passage omitted]

[Announcer] Today's newspapers carry very few reports, very few details. There are just bits and pieces of what politicians said when talking to journalists outside the conference room. On the other hand, we know practically nothing about Prime Minister Waldemar Pawlak's address, which opened the meeting. What did he say?

[Struzik] From the very beginning, we decided that this meeting would be closed to the press, and I want to make clear that, even if some participants got very excited and showed their feelings during the meeting, this by no means reflects fully what was going on in there. Prime Minister Waldemar Pawlak concentrated mainly on the assessment of the year of the coalition, including the fulfillment of our electoral promises, electoral programs....

[Announcer, interrupting] Economic matters?

[Struzik] Well, yes, first and foremost on economic matters because we believe that the true assessment of the coalition can be made only on the basis of the economic effects. Of course, there were also political elements in this address. Then we had the address by Mr. Aleksander Kwasniewski...

[Announcer, interrupting] If I understand correctly, as far as Prime Minister Waldemar Pawlak's address is concerned, the assessment of the year in our economy was positive.

[Struzik] Well, that cannot be denied. But we do have growth in manufacturing reaching 13 percent and a fall in unemployment—albeit a small one of some 40,000, but it is not on the increase. We are experiencing constant economic growth. We reckon that the GNP will have grown by 5 percent by the end of this year. [Sentence indistinct]

[Announcer] So, from that point of view, everything is fine. When the prime minister finished speaking, Kwasniewski took the floor and then it got tough.

[Struzik] [Passage omitted] Well, Chairman Kwasniewski mainly pointed out the methods and what you would call coordination within the coalition. I would say this: We, that is the prime minister and other Polish Peasant Party [PSL] representatives, were concentrating on objectives. On the other hand, colleagues from the Democratic Left Alliance [SLD] were mainly concentrating on methods.

[Announcer] Your colleagues from the SLD object that they learn of many of the PSL decisions from the newspapers. That is what they say.

[Struzik] Well, I am a member of the so-called coalition or a directorate. I obviously do not share that opinion. You could say that often the flow of information does not function properly between the leaders and the parliamentary floor groups. There are objective reasons for that, as well, because you work differently in a 50-, 60-, or even 70-strong parliamentary floor group, from when there are 130 or 170 deputies. I do not think it is true that they learn about certain things from the newspapers. On the other hand, colleagues from the SLD also stressed personnel issues. There were many objections to the person of the prime minister and the head of the Council of Ministers. Unfortunately, it is like this: We indicate the things that need to be done, and colleagues from the SLD point out how they should be done. I want to make clear that this is a problem. If we assume that our aim is to fulfill our electoral promises, to improve Poland's position in both economic and international arrangements, and if the government—I make no differentiation here whether a minister was recommended by the SLD or the PSL—has a contract and has to implement it, we have to assess the effects rather than the methods, unless you want to create a collective body that would run the whole business, but then responsibility cannot be borne by individual people, by the prime minister or individual ministers. Then we can say that we exercise power collectively.

[Announcer] The SLD also complains that the PSL had 15 percent of the vote in the elections, but today, they say, they have a 90-percent share of power.

[Struzik] You know, such bidding is unnecessary because it is neither 15 nor 20 percent because the PSL won 15 percent of the vote. [sentence as heard] Neither the recent local government elections nor that 90 percent reflect reality. [passage omitted]

[Announcer] Is it true that there was a proposal from the floor that Aleksander Kwasniewski should become prime minister and, in exchange, the SLD would support Pawlak's candidature for president in the presidential elections? Is it true?

[Struzik] Maybe not in such a straightforward manner, but there were proposals that the arrangement could be changed, that somebody from the SLD could become prime minister. There was such a moment in which Chairman Aleksander Kwasniewski's name was mentioned. I think that everything is possible, that it is not so that the PSL, first, sticks rigidly to the current agreement, and second, that it desperately holds on to power. Other, alternative solutions, possible in the current political arrangement, were also discussed. So, if we are talking about the implementation of objectives—that is, electoral programs—such an option is also possible.

[Announcer] In a word, the PSL could possibly agree to a coalition agreement in which somebody from the SLD would be prime minister? Do I understand that correctly?

[Struzik] No, no. At this time I cannot speak on behalf of the PSL statutory authorities because they make these important political decisions. There were remarks from the floor that there is no alternative to this coalition. In a sense, this is a marriage of convenience, a coalition that ensures majority, which gives great security....

[Announcer, interrupting] A marriage of convenience, which is the opposite of a love match?

[Struzik] This element kept coming up frequently last night. I think marriages of convenience are more durable. On the other hand, love matches are more sensual and provide greater pleasure. But the former are more effective. [passage omitted]

[Announcer] Who will become the national defense minister? Will the SLD be consulted about his candidature?

[Struzik] Without a doubt. There are rumors about such a candidature. We do not know the names. It is difficult to imagine that we could look for a candidate from outside the coalition. [passage omitted]

[Announcer] Mr. Speaker, following this very long night, what is the health of the coalition? Is it now completely healthy?

[Struzik] We are coming back to the marriage. I think that such frank, open, and purgative talks always strengthen such an arrangement. I feel that the meeting was necessary, and I would like to point out the final conclusions. The first issue was that we were clear about updating the coalition agreement....

[Announcer, interrupting] Renegotiating it?

[Struzik] No, not renegotiating it. It was not that bad. We need to include those experiences we have come across in the past year. Second, we established that the presidiums of both parliamentary floor groups would work out conclusions from this meeting, this discussion, and that they would submit further proposals of action. Third, we agreed on principle that the parliamentary floor groups' presidiums would meet at least once a month and parliamentary floor groups at least once every three months. Finally, we decided that coalition meetings would be held in the provinces so that the issues and tensions arising there sometimes would not be transferred to the central level. [passage omitted]

[Announcer] Mr. Speaker, a final short question to end our conversation. Did the prime minister break the coalition agreement by firing Minister Kolodziejczyk, as the SLD activists claim?

[Struzik] This is a problem. Surely there are clauses saying that certain personnel issues should be consulted. On the other hand, there must be a certain level of trust for the person who implements the contract. [passage omitted] If I were an SLD member, I would not see it as an evident violation of the coalition agreement. I am sure this issue will be resolved. [passage omitted]

[Announcer] Mr. Speaker, thank you very much for the conversation. Radio Zet's guest today was Senate Speaker Adam Struzik.

Pawlak Says 15 Nov Coalition Meeting Necessary

LD1611150294 Warsaw Radio Warszawa Network in Polish 1300 GMT 16 Nov 94

[FBIS Translated Text] Prime Minister Waldemar Pawlak, who has been taking part in celebrations to mark the 50th anniversary of the National Defense League, said thet last night's meeting of the ruling coalition parliamentary floor groups was necessary. However, the prime minister is anxious about this part of the discusson, in which proposals were made with regard to changes in the post of prime minister, according to the idea of the prime minister from the SLD [Left Democratic Union] and Waldemar Pawlak, the joint candidate for president. [passage indistinct]

Olechowski on Central European, EU Policy

WS1611141594 Warsaw RZECZPOSPOLITA in Polish 14 Nov 94 p 28

[Article by Foreign Affairs Minister Andrzej Olechowski: "Toward a United, Safe Europe"]

[FBIS Translated Text] Probably the most important principle of Poland's foreign policy is the old truth that only those nations that have good relations with their neighbors are safe. We are therefore energetically developing friendly relations with all of our neighbors. With all of them we have signed treaties on the protection of borders and on neighborly relations, with all we have set down conditions favorable for contacts between people and enterprises, with all we have agreed as to principles for protecting the rights of ethnic minorities, with all we are actively developing cooperation in the border zones. This is one huge, joint success of the Belarusians, the Czechs, the Lithuanians, the Germans, the Poles, the Russians, the Slovaks, and the Ukrainians.

We may already see the positive effects. In relations with Belarus and Ukraine, these are a lack of political tensions and conflicts; the emergence of several joint enterprises each day; a booming trade, although it is hindered by difficulties of an internal nature; dynamically expanding cooperation between the border zones, which is difficult to portray by official statistics; and, finally, the huge and rapidly growing numbers of people crossing the borders. The latter gives us great satisfaction. Every day in Poland we host hundreds of thousands of Belarusian and Ukrainian (Russian) tourists, businessmen, and seasonal workers. They come here to see our country, to get to know the people, to make some money. They come more and more often, which shows that they feel good in Poland. Also more and more Poles visit the Eastern neighbors. This is the most reliable indicator of sound neighborly relations. This is the best prognosis for their further development.

Respect for Differences

The second-most-important principle of our foreign policy is that only nations that differ and respect their differences may become friends. If there were no differences, they would probably merge; if they did not respect their differences, they would become enemies. Poles are different from their neighbors. Our neighbors differ from one another, and today, after an interim period of hundreds of years, they can openly manifest these differences. Poland treats all of its neighboring countries as fully independent and sovereign states. We support their attempts at laying the grounds for national identity. This does not mean we do not approve of close-knit ties between states. On the contrary, as far as the establishment of such ties does not involve violence or infringement of democratic procedures, we treat them as advantageous natural processes, in compliance with international order.

We view the integration process within CIS in these categories. We see the positive effects for the integrating countries, as well as for us and the rest of Europe. We follow discussions and developments in CIS. Currently, national political and economic interests of member states are being defined; the principles of decision-making are being negotiated—in particular, the principles of the membership of smaller states; and the scope and depth of economic, political, and military cooperation and their interdependencies are being established. We are observing these developments with understanding and growing respect. We trust that the result will be the emergence of a balanced, stable, and effective commonwealth of constructively cooperating, truly independent states. We believe that not a closed, separate world, watching the rest of the continent with hostility, but a commonwealth open toward Europe, constituting its integral part, making an ambitious contribution to a divided Europe in the process of unification, based on stable structures of a civil society, freedom, and market, will emerge.

For Poland, and I believe for Belarus and Ukraine as well, this is a vital, strategic issue.

Against Divisions

The third principle—and objective—of Polish foreign policy is counteracting a division of Europe. With the hindsight of its tragic history, Poland sees one of its major objectives to be active participation in uniting the West with the East, the practical implementation of the principle of the indivisibility of European security, and, on a broader scale, the whole Euroatlantic region. As the method for attaining this goal, we have chosen expansion of verified structures—the North Atlantic Treaty and the European Union. It seems the simplest and easiest way.

Let us discuss this in more detail, and let us consider the Polish arguments, which are often misunderstood by our Eastern neighbors. Let us try to explain that Poland is not escaping from its neighbors (because escaping from them is impossible) but, rather, trying to establish sound neighborly relations. Neither is it attempting to set new rules (because, after all, forcing closed institutions to open does not imply creating new divisions) but breaking off with those of the past.

The European Union and NATO are the most successful international undertakings in modern history. Established during the Cold War, they were to protect their members from communist expansionism and create conditions for peaceful development. Since then, they have become an astonishingly close-knit, multinational community, a community of nations advocating the same values, implementing similar objectives, ready to give up some of their sovereignty to joint institutions, the rulings of which they obey. A community established to counterbalance the communist bloc has outlived it. Integration has gone so far as to have become a value in itself. Once the enemy was no longer there, participants of the expedition came to the conclusion that because they felt so good in each other's company it did not make sense to go back home. At the same time, they expressed their readiness to widely cooperate with others. The North Atlantic Cooperation Council, the Partnership for Peace, and the developing bilateral relations with countries of Eastern and Central Europe are definite proof of this openness.

This is a tremendous, historical achievement' of the nations of West Europe and North America, particularly those of West Europe, which had organized themselves over the centuries in mutually hostile and warring empires and principalities, fiercely competing and warring.

Three Methods

The Western commonwealth is thus an undeniable fact. It has to be taken into account when constructing a united Europe. This could be done by three methods: first, expanding the community until it covers the whole continent; second, consolidating and strengthening the rest of Europe and, once it is strong enough, merging the two territories; and third, deconstructing the West and establishing something entirely new in its place. Poland is obstinately advocating the first method. The second, originating from Cold War logic of balancing power, has many supporters in Russia and in conservative societies in the West that want to maintain their status of exclusivity. It also has some supporters in economic circles that miss the USSR, CEMA, and the Warsaw Pact as a system, in which, without fearing competition, one could sign huge contracts "between chums." The third method, rash and nationalistic, is an old Soviet dream. It is supported by "imperial" politicians in Russia and in our country as well. They view it as a chance for Poland to become the center of the region or a bridge joining Berlin and Moscow.

This is no place to analyze the scenarios in detail. Let us only say that the first method is safest (it does not break up well-established structures, and neither does it pose the threat of vicious antagonism, if only temporary, between the two structures), least expensive, and most practical (verified institutions are expanded, tested models followed, there is no need to waste time or money on developing new ones), and, thus, the easiest to implement. It does, however, require two important decisions: on the one hand, a decision on the part of the Community to gradually open up and accept new members, which involves certain costs, institutional problems, and difficult changes of mentality, and, on the other, a requiring of our countries to incorporate fundamental elements of the Western model as their own, adapting own solutions to match, giving up certain ambitions. There are chances that NATO and the European Union will open up. Any seasoned analyst of the international scene knows that. What about the second issue?

Since the countries of Central Europe—the Czech Republic, Poland, Slovakia, Hungary—have become independent, they decided to adopt solutions and models applied in the West. This required serious reforms, which are now bearing fruit, both in terms of economic growth and a gradual, systematic conforming (in economy and politics) to West Europe. This process has enabled these countries to apply for membership in the European Union and NATO with a huge chance of success. In other countries, these changes are not as far-reaching or have gone in a different direction.

The Consequences of Unification

Does this mean that the countries of Central Europe are selling out their national interests, that they are denying their national identity or running away from their neighbors? Very important questions. Where would Luxembourg be, for instance, if the threats of losing national identity and the national interests in the melting pot of the commonwealth were great? Perhaps particular nations joining the commonwealth do lose a part of their distinct features, but, in return, they gain an influence on the whole, get better conditions for development, and participate in forming the commonwealth and its identity (sometimes to a larger extent than the size of their territory would suggest, as the case of the aforesaid Luxembourg shows). One must not forget about this phenomenon and its consequences. A common interest and the image of "Europe's 16" are different from that of the "European 12." Accepting the Nordic states in the commonwealth will also change it, and bringing in the Central European states will cause new elements to appear. It is worth reminding those who traditionally fear the West about this. The West, together with Finns, Swedes, Norwegians, Austrians and, eventually, Poles and other nationalities from Central Europe, will have a completely different face from the one we remember from history.

The new West will have to raise the issue of the East just as Germans, for instance, are currently raising the issue of Central Europe. Such is the nature of things—no one either wants or is able to escape his neighbors, no one wants to live on the border, no one wants to be a boundary land; everyone wants his neighbors to be friends, to coexist in one commonwealth. It is important that the neighboring countries are willing and ready to accept such a development of events so that they do not choose a way that will render them "incompatible." This can be guaranteed by a consequent implementation of democratic and market reforms, broadening and deepening relations with the European Union, developing relations with Western partners, developing relations with NATO within the Partnership for Peace, developing the infrastructure that joins Europe and a gradual strengthening of the CSCE.

Such a scenario cannot but end with Europe joining to create one whole. Is there any other alternative? Just as surefire?

We are now standing before a real chance for a united Europe. Never before in history has it been so palpable. Our responsibility toward history was also never so visible. Will we take advantage of the opportunity? Will we fulfill the dreams of whole generations of romantics and philosophers who envisioned a united continent? Will we finally be able to say at the graves of those who were killed or died prematurely—and we have millions of them in our part of Europe—that there will be no casualties now? This depends on us, on our sense of responsibility, on our ability to discard historical stereotypes, overcome historical prejudices and anxieties, sacrifice some of our own ambitions, and even some of our interests.

* * *

The above article is published simultaneously in the NARODNAYA GAZETA in Minsk and the URYADOVYY KURYER in Kiev.

Polls: Majority of Poles Approve Joining EU

WS1711122394 Warsaw NOWA EUROPA in Polish 12-13 Nov 94 p 3

[Unattributed report on CBOS opinion poll: "Approval and Positive Expectations"]

[FBIS Translated Text] More than half of Poles declare that full integration into the European Union [EU] will bring more advantages than disadvantages, and one-third expect that they personally will benefit, claim sociologists from the Public Opinion Research Center [CBOS].

The Polish Government has applied to the EU for membership in the organization. CBOS regularly investigates the attitudes of Poles on Poland's joining the Union at consecutive stages of the process. The last poll was carried out in the middle of this year.

Definitely Yes

Full membership of Poland in the EU is supported by 79 percent of CBOS respondents, 28 percent support it strongly, and 51 percent "rather support the idea." Integration is rejected by 6 percent, 2 percent of which definitely so, and 15 percent did not have any opinion. Over the past two years, support for the idea of integration has been stable, although the number of people who make restrictions on their affirmative responses is growing.

According to the poll, 60 percent of respondents claim that signing the membership agreement will be favorable for Poland, 6 percent see only negative aspects, 22 percent say that they know too little about the issue, and 11 percent did not give any answer. Respondents who claim that the effects will be positive are primarily young people below age 35 and people between 55 and 64, inhabitants of large cities, those having a higher education, private entrepreneurs, and rightists. Among this group are 38 percent of citizens who believe they personally will benefit from Poland's membership in the EU.

No Later Than 2005

In the opinion of 33 percent of Poles, our country should become a full-fledged member of the EU now; 34 percent say this should take place within the next five years, and 11 percent would like to see us integrated by 2005. Five percent of CBOS respondents say Poland should join the EU even later or rule out the possibility altogether.

Two-thirds of those polled agreed with the statement that integration into the Union will allow for the development of private enterprises and banks in Poland; only slightly fewer respondents see a similar influence of the Union on trade and services.

Mutual Benefit

Much more fear is caused by the effects integration may have on the economy and social life dominated by the state. As far as 40-60 percent of Poles see the possibility of a positive influence on Polish science, education, and health care, nearly one-half fear that the integration process will cause state enterprises to collapse on a mass scale. At the same time, however, according to 56 percent of CBOS respondents, a consequence of integration could be halting or decreasing unemployment.

The polls show that 40 percent of Poles claim that private farms will develop once our country joins the EU. This opinion is shared by 40 percent of farmers. The collapse of private farming is predicted by 24 percent. For 13 percent of Poles, there is no connection between the two processes, and 23 percent have no opinion.

CBOS respondents definitely expect that Poland's membership in the EU will have a positive influence on the attitude of Poles toward work, the level of their skills and education, thrift and efficiency, entrepreneurship and liberal life-styles.

Do you think complying with norms and principles of the EU will be:

	(in percent)		
	Easy	Rather Difficult	Very Difficult
For Polish enterprises	13	47	26
For Polish agriculture	11	36	40
For Polish bank and finance legislation	24	29	26
For discipline and attitude of Poles toward work	23	30	32
For Polish habits and customs	15	31	36

Do you think the positive effects of Poland's becoming a full-fledged member of the EU:	
Will be visible in several years	58 percent
Will be felt by our children or grandchildren	26 percent
Difficult to say	13 percent
Will be immediately visible	2 percent

* * *

The CBOS report was developed on the basis of nationwide, representative random sampling polls of the adult population of Poland carried out on 19-23 March 1992, 11-14 June 1993, 25-28 March 1994, and 23-27 June 1994. The research was partly financed by the Office of the Government Plenipotentiary for European Integration.

Ambassador to Moscow on Bilateral Relations

WS1711094094 Warsaw TRYBUNA in Polish 12-13 Nov 94 pp 1, 7

[Interview with Stanislaw Ciosek, Polish ambassador to Moscow, by Krzysztof Pilawski: "There is No Conflict of Interest Between the New Poland and the New Russia"]

[FBIS Translated Text] [Pilawski] Mr. Ambassador, 22 November marks the fifth anniversary of your office in Moscow. This would have been a good opportunity for a recapitulation, if not for the tension that resulted between Warsaw and Moscow after the incident at the Eastern Railway Station. Do you not see these events as a personal defeat?

[Ciosek] Of course, just like any other politician or diplomat who was involved in any way. I believe, however, that the conflict is temporary. And, paradoxical as it may sound, it provides an answer to the question of what is going on between the new Russia and the new Poland, how we should handle our relations. Thus far they have been undefined.

We made our political choice of entering European structures not a year or two ago but during the Roundtable debates. The deteriorating system was pulling Poland downwards; both sides of the Roundtable acknowledged that. We agreed to go in the direction where the organization of building civil and political life was more effective than in the East. Russia did the same eventually. This was a choice made by the majority of Poles.

If this orientation is questioned from abroad, it will definitely consolidate Polish public opinion and political elites in the conviction that it was a good move.

The aspirations of entering NATO and the European Union that are currently voiced are a natural consequence of the path chosen at the end of the 1980's. We do not, however, want Europe to be divided by a border on the Bug River and do not comply with the concept of a "gray zone"—that is, coming under someone else's sphere of influence.

Initially, after 1989, our policy regarding the USSR was extremely cautious. We did not want any conflicts as Soviet troops were to pull out, and we did not know what route our eastern neighbor would chose.

Once new states were formed beyond our eastern border and the last Russian soldier left Poland, we presented the Russians with a serious package of suggestions on cooperation in various fields. It was included in a lengthy letter Minister Olechowski wrote Minister Kozyriev. At our initiative, a delegation of the Sejm of the Republic of Poland, headed by Speaker Oleksy, visited Moscow. It was also at our initiative that Prime Minister Pawlak paid a working visit. Ministers and high Polish officials began making frequent trips to Moscow.

President Walesa visited Moscow earlier, and over one year ago President Yeltsin visited Poland. The first visit closed off the past; the second was to open a new stage of relations. A declaration was passed containing many detailed suggestions, primarily economic.

[Pilawski] What are the effects?

[Ciosek] As you can see. Our suggestions were like a knife cutting frozen butter. Something froze our relations...

[Pilawski] What was that?

[Ciosek] Many factors coincided at one time. Most important of all was a lack of faith, expressed by many Russian politicians, in our guarantees that, as part of Europe's economic and military structures, Poland would retain a friendly attitude toward Russia. Many of them claim that their country still remains a NATO target. They do not hide their fears that the balance of the military power system will change to the disfavor of Russia.

In terms of the economy, Russia has found partners richer than we are, supplying goods in credits. We are being pushed out of that market.

In terms of emotions, the Russians passively observed as we took our time in letting off all the steam after years of unequal partnership with the USSR and what they considered our lack of understanding that their nation suffered most severely from Stalinism. They made a note of our public expression of embitterment about the past and considered it ill-addressed. They themselves want to throw the weight of the past off their shoulders and absolve themselves from the sins of the USSR they do not feel a part of.

The Russians let their steam build up and it erupted violently. I hope the time is ripe to say some things out loud, but without hostility. After the eruption of emotions, a period of peaceful considerations and establishing normal relations should follow.

[Pilawski] It is a pity that the Russians have chosen Poland as a target for their frustrations and emotions, that they have used an incident that took place in our country as an element of political games on their own field.

[Ciosek] I always stress that, as an ambassador, I respect official statements the Russians made on postponing—and not canceling!—the Russian prime minister's visit to Poland. The Russians themselves claim in numerous press comments that several facts coincided, including an address Alexander Solzenitsyn made to the Duma on depriving Russians of their honor and dignity, on a lack of respect for them in the world.

Those were very bitter words, and they are very difficult to forget. Moreover, there appeared a feeling that we are trying to move away from Russia.

[Pilawski] Despite all else, the fact that the Russians have targeted their frustration at Poland shows how superficial the relations between both states are.

[Ciosek] How superficial current relations and, obviously, the present conflict are. No reasonable politician in either the East or the West would claim that there are any serious reasons underlying this conflict. There are no reasonable politicians who could realistically expect the Yalta order to be reinstated. On the other hand, any concept of European or worldwide security that diminishes the role of Russia or does not take that country into consideration is doomed to failure. This is obvious and has also become a canon of Poland's perception of Europe. There are no substantial differences or conflicts of interest between Warsaw and Moscow, and this should be clearly stated. It would be rational for the Russians to trust our guarantees that the choices we have made do not imply that we want to cut ourselves off from the East.

[Pilawski] It is very typical that representatives of different political orientations started beating the patriotic drums, alarming us that "our guys" were being harassed. Both the ideological PRAVDA and the pragmatic business paper KOMMERSANT have complained about the Polish authorities. No politician was brave enough to reduce the whole incident to the dimensions it deserved. All of this proves that there is no influential Polish lobby among the political elites in Russia. Leaders of Polish political groups rarely meet with their Russian colleagues.

[Ciosek] The void in relations on political leadership levels is being filled by Polish businessmen and local authorities seeking Russian regions they could enter into cooperation with.

If we are to be the keystone of Europe, I would advise our parties to reach an agreement that two languages are obligatorily taught in schools: one Western, preferably English, and one Eastern, preferably Russian, so that, apart from maps on which Poland is centrally situated, with only small parts of neighboring territories shown, huge maps from Lisbon to Vladivostok, showing the continent and our location much better, would hang in schoolrooms and politicians' offices.

[Pilawski] The vicious attack on Poland was a little irrational. After all, Russia wants to break Ukraine's monopoly on transiting Russian gas and oil, find a partner to cooperate with in the Kaliningrad region, and develop transportation routes to West Europe. It might seem that the most natural route to Europe leads through Belarus and Poland.

[Ciosek] I also consider what happened as contradictory to common sense, to reality. We have common economic interests. I do not know whether this has to do with Ukraine or with huge amounts of money. The rich Germans will buy and pay for it, and we can benefit greatly.

I would thus like to stress once again that the conflict is very superficial. If the politicians carry it on, they will act like the child who refuses to wear a cap and freezes his ears off in spite of his grandmother.

[Pilawski] Victor Chernomyrdin, who is connected with "Gazprom," cannot claim not to understand the economic impact of the Yamal-Europe gas pipeline. Yet he obstinately claimed that the only reason for putting off his visit was the Eastern Railway Station incident and the lack of an appropriate response from Warsaw.

[Ciosek] I appreciate the calm and objective attitude of Polish officials on the issue. Which of the Polish politicians, regardless of whether from the right or left, can say "we are sorry" before investigations have been completed, before anyone was proved guilty? The Russians should understand that we also have a huge sense of honor.

It would be unfortunate if the Russian demand for an apology brought about an increased wave of demands that the Russians apologize to us for all of the wrongdoings that hurt us but are now a thing of the past. Why do we need to scratch open the healing wounds?

Since the system changed, the police in all of the former socialist countries have been facing difficulties. They lack funds and are unable to effectively catch criminals. At night our embassy is surrounded by Polish trucks, which are afraid to park anywhere else because they might get stolen. I forbid my employees to go out after dark because Moscow is a very dangerous city. I wish I could travel to Poland safely by train, without the conductor instructing me to augment the chain lock on the door to my compartment by wedging my shoe in the door so as not to be assaulted.

Poles in Russia are often victims of assaults and robberies. We are doing everything we can to guarantee their safety, but we do not accuse the Russian authorities.

[Pilawski] In spite of everything, you remain an optimist on the future of cooperation between Moscow and Warsaw.

[Ciosek] I am deeply convinced that I will live to see the day when we will be able to travel freely on fast trains, wide highways, without scandals at the border crossings to trade, and to visit each other and freely enjoy neighborly hospitability. This is what people need.

Over the five years I spent in Moscow, my role was mainly to act as buffer, a shock absorber, and even an "interpreter"—the same words were occasionally given different meanings on both sides.

After the period of idle running, one of the reasons of which was the gigantic transformation of the system, the time has come to enter a phase of constructive action. I do not believe that the current conflict could lead to a freezing of relations in Central Europe. That would be not even anachronic, but simply ridiculous.

[Pilawski] Thank you for the interview.

Opinion Survey on Voting Trends

LD1611205894 Warsaw PAP in Polish 1443 GMT 16 Nov 94

[FBIS Translated Text] Warsaw, 16 Nov—If parliamentary elections were to be held this month, they would end in a success for the ruling coalition, according to the Public Opinion Research Centre [CBOS]. The Democratic Left Alliance [SLD] would get 23 percent of the vote and the Polish Peasant Party [PSL] 15 percent. The next two in the "league table," the Union of Labour [UP] and the Union of Freedom [UW], would both get the same level of support—11 percent each.

The Nonparty Bloc in Support of Reforms [BBWR] and the Alliance for Poland would also have parliamentary representation (6 percent each), as well as Solidarity (8 percent). On the other hand, the Confederation for an Independent Poland [KPN] would not get into the Sejm (3-percent support). The turnout would be 56 percent.

The poll was carried out between 3 and 7 November on a representative sample of 1,237 adult residents of Poland.

Compared to a similar poll held last month, voters' liking has increased for the SLD (by 3 percent), for the BBWR (by 2 percent), and for UP, UW, and the Alliance for Poland (by 1 percent). Liking has declined for the PSL (by 2 percent); support for Solidarity also fell by 2 percent.

According to CBOS, the SLD supporters are primarily people who do not take part in religious practices, are former PZPR members, live in towns, and frequently are low-level white-collar workers. They think the actions of the president weaken the state, while those of the Sejm strengthen it. They believe the U.S. intervention in Haiti to be wrong.

CBOS maintains that the fundamental difference between the PSL voters and the SLD supporters is that the former are happy with the fact that Waldemar Pawlak is prime minister. The results of the poll indicate that the PSL sympathizers hold unequivocal views on hardly any of the currently important political issues. An exception is the belief that mass privatization is an undertaking that is harmful for the Polish economy. What distinguishes the PSL supporters is, according to CBOS, the fact that they are skeptical about the belief that you can have only one true love in your lifetime (the authors of the poll think this follows from their pragmatism to which irrational beliefs that distract their attention from the daily life in the countryside are alien).

The UP sympathizers are skeptical about the belief in complete faithfulness within marriage. In their hierarchy of values, they hold high the opportunity for professional fulfillment in an interesting job. They discuss death more often than others. The UW supporters are united through their negative appraisal of the work of the present government and especially of the prime minister. The people who vote for this party are primarily highly paid members of the intelligentsia.

Poll Says Conflicts Show Politicians' Immaturity

WS1611143794 Warsaw GAZETA WYBORCZA in Polish 16 Nov 94 p 6

[Article by (knysz): "CBOS: No to Politicians"]

[FBIS Translated Text] The statistical Pole says that politics brutally enters his private life. He is not at all happy about that because he does not think highly of our politicians.

The Pole is more interested in politics than are his West European neighbors. In Poland, the percentage of people closely following the activities of politicians has over the two past years ranged between 53 (in July of this year) and 42 (in February of this year).

Immature Politicians

Most of us very negatively evaluate the Polish political class. As many as 69 percent say that conflicts in high places are a "manifestation of the immaturity of our politicians." Far more seldom (17 percent) do we believe that arguments between politicians are "a normal thing."

The more educated we are, the more "expert" in politics and the less surprised at the bad relations between politicians. "It is possible that people who understand politics better and who are aware of its rules are less afraid of the conflicts and are more inclined to see their positive side," the Public Opinion Research Center comments.

We do not think very highly of our political class, either. We can see (52 percent) that politicians "circumvent the law" and that "they do it fairly often." Sixteen percent add that politicians "act against and despise the law."

Only every 10th respondent believes in the integrity of the "people in high places."

For the definite majority of us (80 percent), treating the law in such a way is "disconcerting because it may lead to total lawlessness." However, there are also people who agree with the president's philosophy: "It is not reprehensible to circumvent the law because the law in Poland is imperfect."

Common People

As it turns out, anything that happens up there is of great importance to the so-called common people. As many as two-thirds of Poles (68 percent) admit that conflicts among politicians exert influence on their everyday life. Those who are aware of this the most are people whose everyday life most depends on the state—that is, the unemployed.

Do you think conflicts in high places are:	
A manifestation of political immaturity	69 percent
A normal thing	17 percent
It is hard to say	14 percent

Do you think conflicts influence the lives of common people?	
Yes	68 percent
No	23 percent
It is hard to say	9 percent

* * *

The poll was carried out between 6 and 10 October on a random, representative sample of 1,184 adult Poles.

Iliescu on Ties With Saudi Arabia, Kurds

MM1611154294 London AL-HAYAH in Arabic 16 Nov 94 p 7

[Interview with President Ion Iliescu by Bari'ah 'Alam-al-Din in London; date not given]

[FBIS Translated Excerpt] ['Alam-al-Din] How would you describe your relations with the Arab world, how do you see the future of those relations, and why do you have strong relations with some Arab countries, but not even normal diplomatic representation with other Arab countries?

[Iliescu] True, we have good relations with all Arab states and stronger relations with certain Arab countries. The Kingdom of Saudi Arabia is probably the only Arab countries with which we have no diplomatic representation. We hope to establish such representation with it soon.

I would like to emphasize that we in Romania have always adopted a clear and positive position on Arab issues. And we have always sought to establish constructive and positive relations with Arab countries in all spheres, political, economic, and cultural. And we have always adopted positions supportive of the Palestinian cause and the Palestinian people's rights. [passage omitted]

['Alam-al-Din] When do you expect to establish your diplomatic relations with the Kingdom of Saudi Arabia?

[Iliescu] Official contacts are being made with officials in the Kingdom of Saudi Arabia to agree on the establishment of these relations, and I hope that this step will be achieved next year. [passage omitted]

['Alam-al-Din] There are reports of a significant presence of the Kurdish Workers' Party in Romania and hostile activities this party is carrying out in your country against Turkey. What is the effect of this presence on your relations with Turkey?

[Iliescu] I do not believe I can talk about a negative effect of the presence of these people inside Romania, especially as this presence is very limited. That party receives no government or official aid.

As for Turkey, we see it as a neighboring and important country. And we believe that our relations with it are positive and good. I believe that we understand the rules and foundations of their policy, just as they understand our positions. And we have the sincere desire to develop this understanding and to turn it into strong economic cooperation.

Actually we have already begun to move in that direction within the framework of our long-term plan aimed at preparing for the establishment of a greater Europe in the future. [passage omitted]

[AL-HAYAH] You have a Muslim community in Romania. Is there any extremism?

[Iliescu] No, no. We have no problem of that kind. The number of Muslims in Romania is small, and they are of Tatar and Turkish origin. Each group has a deputy in the Chamber of Deputies. They perform their religious rites in full freedom. And they have their own mosques, clubs, and cultural centers.

['Alam-al-Din] Following your revolution against the communist regime in Romania, your relations with Russia witnessed a state of coolness that reached crisis point. What is the status of these relations now? How are the Romanian people responding to the march of change?

[Iliescu] What is happening in Romania today is in substance a comprehensive process of changing the foundations of society and life. Five years after the revolution, you can see the clear features of this change in political life and at the level of human rights and freedoms.

And we have set up the democratic institutions to monitor the implementation of the foundations of this change. [passage omitted]

We know that the free economy march is complicated and difficult and requires both time and money, but we are determined to succeed, because we have both the will and the determination.

As for our relations with Russia, we are keen to build new and positive relations with that major state, which is facing big problems in several fields, including difficulties in organizing its political, economic, and social life. [passage omitted]

County Hungarian Union Leader Ordered Arrested

LD1611183994 Budapest Kossuth Radio Network in Hungarian 1700 GMT 16 Nov 94

[FBIS Translated Text] While Foreign Ministry officials are reviewing Hungarian-Romanian relations in Bucharest, an order has been issued in Marosvasarhely [Tirgu Mures] for the arrest of the county leader of the Hungarian Democratic Union of Romania [HDUR]. Tibor Bogdan reports from Bucharest:

[Bogdan] Lajos Monus, chairman of the county organization of the HDUR and member of the local authority council, has been illegally sentenced in Kolozsvar [Cluj] to one month's imprisonment. According to the official justification, the sentence was given because he had not paid the 50,000 lei fine levied by the police for having taken part in the July action to prevent the illegal commencement of the bogus scientific excavations on the main square.

Lajos Monus has now told the Hungarian radio correspondent on the telephone that the verdict, lacking all legal grounds, was passed without any decision having been taken concerning his appeal against the fine. He moreover was notified in a curious manner—in his post box but without envelope or stamp yet containing a signature certifying receipt of the document. Furthermore the document was issued for the name (Molnar), and it contained an erroneous, incomplete address.

Nonetheless, the chairman of the Kolozs [Cluj County] organization of the HDUR was informed today at the Kolozsvar court that the order for his arrest had already been issued.

Air Force Units Training To Resume Flights

AU1711074594 Bucharest EVENIMENTUL ZILEI in Romanian 14 Nov 94 p 14

[Report by Oana Maiuga, Doru Dragomir: "All Air Force Pilots To Begin Retraining Course"]

[FBIS Translated Text] This week at all Air Force units theoretical retraining courses are to begin in view of the resumption of flight assignments for all fighter and fighter bomber aircraft.

The preparatory courses include topics such as aircraft piloting technique, flight navigation, and instrument flying [zbor instrumental]. Each course will also be attended by a high-echelon flying instructor. The pilots will then fly dual-control aircraft that allow for the instructors to take over control of the planes during flight.

According to a statement made by Major Elena Olariu, the spokesperson of the MApN [Ministry of National Defense], the pilots will also fly IL-28 fighter bombers. Similarly, training flights will be carried out with MiG-21, MiG-23, and MiG-29 interceptor and fighter aircraft, as well as IAR-99 bombers.

Hepatitis Epidemic Called Comparable to 1989

AU1711075394 Bucharest TINERETUL LIBER in Romanian 14 Nov 94 p 1

[Report by Mircea Banarescu: "We Are Facing a Hepatitis Epidemic Exceeding That of '89"]

[FBIS Translated Text] The number of hepatitis cases has increased to an alarming extent. Last weekend, at the Colentina Hospital, Bucharest, 15 adults and 16 children were hospitalized in a single day. At the Victor Babes hospital, 225 persons are in bed with hepatitis-A; the situation is similar at Colentina Hospital. We have not faced such an epidemic since 1989. The main factor contributing to the spreading of the disease is poor hygiene.

We plan to publish and article describing the evolution of the illness, as its symptoms can be mistakenly interpreted as symptoms of other pathological states, or might not appear at all. As in 1989, useful medical information is again being withheld from the public.

Court Gives Suspended Sentence to British Couple

AU1611160894 Bucharest Radio Romania Network in Romanian 1400 GMT 16 Nov 94

[FBIS Translated Text] The Bucharest Municipal Court today handed down the final verdict in the case of British citizens Bernadette and Adrian Mooney; they were given a two-year suspended sentence. The British couple is not allowed to leave Romania's territory for 10 days, during which the General Magistracy may appeal today's sentence—reports our correspondent Diana Lesanu. We remind our listeners that the Mooney couple was sentenced by the Bucharest Sector 3 Court to a 28-month prison term for violating the Law on Adoption and fraudulent crossing of the state border.

Minister Expects Adequate Wheat Crop in 1995

AU1611114894 Bucharest ADEVARUL in Romanian 4 Nov 94 pp 1,6

[Interview with Agriculture Minister Valeriu Tabara by Mihai Ionescu and Cristian Badescu; place and date not given: "The Most Dubious Affairs Took Place in Agriculture"]

[FBIS Translated Text] [ADEVARUL] Mr. Minister, The funds for financing the autumn agricultural campaign this year were released very late. Do you believe this delay was the result of political machinations, the government's indolent attitude, the interference of some large-scale importers, or lack of cooperation by the banks?

[Tabara] I believe that a little of each of these is the case. First, preparations for the autumn campaign started very late, without the necessary financial resources being ensured. The second problem was the fact that most of the private farmers do not know how to work with credits. And why should we not admit that a lot of farmers have burned their fingers taking loans at very high interest rates. I believe that the legislative system covering financial resources for agriculture was launched very late and, I wish to specify this, I believe the decisionmaking bodies did not have a complete picture of the situation in agriculture. They believed that everything was fine, that we have a good wheat crop and we produce large amounts of sunflower seeds, and edible oil, beet root and so on. It was not a time to boast about all that, but it was the appropriate time to prepare the autumn agricultural campaign, which one does not prepare five-six days beforehand or in the middle of the campaign, but months ahead. The greatest tragedy was when I realized that, on 28 September, out of the 300 billion lei assigned for agriculture for August-September, only 8 billion had been received.

[ADEVARUL] Do you think that this delay might endanger the country's food supply in the coming year?

[Tabara] As far as wheat production is concerned, I do not think so! But this is only because God was on our side and repaired the big mistakes. Had the weather not been favorable, the delays would have indeed endangered the wheat crop for 1995. However, in this way, the 1.2 million hectares sown at the right time will ensure a good wheat production, together with the rest of the area that will be sown up to 2 million hectares. The total production will probably be smaller than this year's production, but in wheat production one should not aim at extension but rather intensification.

[ADEVARUL] Have you estimated the losses for agriculture as a result of these delays?

[Tabara] Going beyond the best time for wheat sowing in October resulted in 30-50 kg losses per hectare daily, and going beyond 1 November can result in 60-100 kg losses per hectare for each day of delay.

[ADEVARUL] This means at least 30,000 metric tons of losses a day nationwide, that is almost half a million metric tones so far. Who is responsible for all this?

[Tabara] Many people. First, those who had positions of responsibility in agriculture and did not understand it, not only from a technological but also biological viewpoint.

[ADEVARUL] Are you also talking about your aides who stayed behind, not only those who left the ministry?

[Tabara] Certainly. However, I am not only talking about my aides, but also the fact that it is not possible to make good a lost day in agriculture, the same day can never return. Responsibility lies in several areas, including the banking system, which did not understand that money was needed precisely then and not later. You cannot stand by and wait for money delayed on some legal pretext and not start sowing, because that day will not return; next year, the respective loss could be bigger if we do not produce our own wheat, I am referring to the way in which we are now paying 100 billion lei from the budget for the imports of 1991, 1992.

[ADEVARUL] Have I understood it correctly? Are you also refering to your colleagues who stayed with the ministry?

[Tabara) I am talking about those who worked in the ministry and who should have made preparations on the basis of forecasts. If we had had a rainy season and could not have been harvested the corn in time, there would have been a disaster. We would have sown wheat in November. I believe that ROMCEREAL, through which contracts were made and to which private producers were traditionally connected, was also blameworthy. It reacted very late and not the way it should have done. And maybe this was the institution with the greatest interest in responding to these requirements.

[ADEVARUL] Is it a question of lack of professionalism or ill will?

[Tabara] I believe that there was a lack of understanding here for the agricultural phenomenon in general. It is not the first time this has happened after the [1989] revolution, when the importance of agriculture is not clearly understood. Likewise, I believe that we are talking here also about a lack of professionalism. Namely,—and now I am returning to the previous subject even at the risk of antagonizing somebody—if a bank is specialized in a certain field, it must make more of an effort and must be the first to be interested in the substance of this field, because this bank operates by means of the interest rates it charges the producers.

[ADEVARUL] The agricultural sector was the scene of very serious cases of corruption. Will you be able to eliminate them?

[Tabara] I do not know whether I will succeed but I will certainly try. I believe that after 1990 the most dubious affairs took place in agriculture and not in other economic sectors. This is only my opinion. I believe that at times there was a display of lack of responsibility regarding this sector. For example, we have reports that some of the importers bought wheat from abroad way above the price of the market and this was felt in the citizen's pocket.

[ADEVARUL] Will Romania import agricultural produce next year as well?

[Tabara] I believe that we should no longer discuss the issue of importing agricultural produce, either raw produce or in industrialized form. On the contrary, we must become exporters. To achieve this, however, the government and the financial-banking system have to give this issue a lot of attention.

[ADEVARUL] Recently there was some speculation about your person in the press. How do you view those remarks?

[Tabara] I would like to make two points here: 1. The Ministry of Agriculture does not have any kind of party structure; and 2. I have no relatives in the ministry, but I am related to all experts and agricultural engineers in this country if they do their duty.

[ADEVARUL] Thank you.

Izetbegovic, Silajdzic View Bihac Situation

AU1611182494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1450 GMT 16 Nov 94

[News conference by Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina; Haris Silajdzic, prime minister of the Republic and Federation of Bosnia-Herzegovina; and Jadranko Prlic, deputy prime minister of the Federation of Bosnia-Herzegovina, by unidentified correspondents in Sarajevo; monitored in progress—live; correspondents' questions are in English with passage-by-passage Serbo-Croatian translation]

[FBIS Translated Text] [Izetbegovic] ...inconsistency of a policy that is to the direct disadvantage of Bosnia-Herzegovina. I repeat: no attack on, or questioning of the safety of the UN Protected Areas [UNPA] is allowed, yet attacks on the Bihac protected area are organized in the UNPA. When, a moment ago, I said that the UNPA zones are untouchable, I had in mind the fact that they are being sent the clear message that they cannot be attacked, yet they can attack. As you can see, they have received the message and have organized a massive attack against the Bihac region. I believe that the international community must undertake urgent measures to stop the attack. We are asking not only the European Union but also NATO, the United States, and all our friends throughout the world to help the situation there to stabilize. Thank you, that was all I had to say; Messrs Silajdzic and Prlic will continue with the news conference; moreover, Silajdzic also has something to say about the situation in Bihac, he returned this morning from Zagreb, and he will, of course, speak about his trip to London.

[Silajdzic] As regards Bihac, I would like to add something, namely, that the Gorazde situation is repeating itself and that we have here the kind of silence that occurred when Gorazde was attacked. It seems to me that not only the credibility of the international community and NATO are in question, but also the overall results of the peace process achieved so far. I am afraid that this is endangering the future of the peace process.

I would like to read out certain details that we have learned and that concern the positions from which the Serb forces are attacking; everyone knows that the planes and helicopters come from Udbina airfield, and as you have learned from the president, a helicopter assault was carried out that violated the No-Fly Zone, yet the international community did not react—in the same way that there is no reaction to the fact that civilian targets are being attacked and that civilians failed to receive the humanitarian convoys dispatched to them because of the actions of the Krajina Serbs. Therefore, from May to the present, 131 convoys have been stopped, only 12 were allowed through, so that what we actually have here—in full view of the international community—is the starvation of the Bihac population, which has been surrounded for almost three years. The president has already stressed the fact that the aggressor forces have been fully supplied with diesel fuel all along. Moreover, we are checking the fact, the information, that the UNHCR has set aside large amounts of diesel fuel for the aggressor. The question is, what is the international community waiting for; a complete catastrophe, so that it can then act in the same way it acted in Gorazde—with one and a half bombs dropped on an old tank? We have information that three surface-to-surface Volkhov missile systems have been installed in the wider region of Busevic and (?Bosanska Otoka). Three surface-to-surface Luna missile systems have been installed in the village of Blagaj in the wider area of Bosanski Novi. In the village of Ivanjska, in the wider region of Bosanska Otoka, there is one surface-to-surface Volkhov missile system. Moreover, we have information that the aggressor possesses SS-10A rockets manufactured in Russia, and that three brigades from the so-called Republic of Yugoslavia have been deployed on the Bosnia-Herzegovina front. A special unit from Nis, the 63d Parachute, is engaged in the wider area of Cetin Grad, that is, Velika Kladusa.

[Correspondent] [Word indistinct] information regarding Bihac [word indistinct].

[Prlic] We believe that the units of the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO] in the Bihac region have done everything, or almost everything, in the defense of the region. We believe that, despite the complex situation, these units are capable of holding the existing lines.

However, the development of the situation is objectively in the hands of the international community.

First, it has to implement the existing resolutions that it has itself adopted.

Second, it has to allow the Republic of Croatia, as a sovereign state, to prevent the attacks from its territory on the territory of another sovereign state.

[Silajdzic] Also, we would like to tell you that, in Great Britain, during our talks with Defense Minister Rifkind, we asked that—in line with the said NATO decision of 22 April—NATO carry out air strikes in protection of the protected zones, that is, in the [word indistinct].

During our visit, Mr. Prlic and I held talks also with Mr. Hogg. Unfortunately, we concluded that differences still existed between us, particularly when it comes to the lifting of the arms embargo. However, when it comes to the attitude of Great Britain toward the integrity and sovereignty of the Republic of Bosnia-Herzegovina, we concluded that there were no differences on that issue, that the British Government backed the integrity and sovereignty of the Republic of Bosnia-Herzegovina and that a peaceful solution had to be sought within that framework.

As for the peace process, we agreed that the Contact Group decisions had to be respected, which means that the map offered by the Contact Group has to be accepted first, and then the negotiating process can continue. That is all. Any questions?

[Correspondent] President Izetbegovic told the U.S. ambassador that forces have begun [word indistinct] Velika Kladusa this morning. Can the prime minister confirm that?

[Silajdzic] Yes, two groups infiltrated into the suburbs of Velika Kladusa, yes, and I think that, by this time, both groups have been neutralized.

[Correspondent] [Words indistinct] by NATO or [words indistinct].

[Silajdzic] [Words indistinct] and actually we expected NATO and the United Nations to [word indistinct] immediately after the attack on Bihac.

Izetbegovic Asks NATO To Halt Attack on Bihac

AU1611200594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 16 Nov 94

[Letter from Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, to NATO Secretary General Willy Claes; date not given]

[FBIS Translated Text] The situation in Bihac safe haven is critical due to the total disregard for the NATO Council decisions of 22 April 1994. I draw your honored attention to a citation from these decisions, where it is stated in Point A that NATO Council agrees to, if any attacks by the Bosnian Serbs involving heavy arms take place against the UN safe havens—Gorazde, Bihac, Srebrenica, Tuzla, and Zepa—these arms and other military hardware, as well as their military and auxiliary units, including but not limiting itself to the installations for supply of fuel from the ammunition dumps, immediately become targets of NATO air strikes.

The attack on the Bihac safe haven with the use of tanks and heavy artillery has been going on for two weeks now. Your assistants doubtless have information about obvious Serbian actions in these attacks. Therefore, all the conditions for NATO air strikes have been met, on the basis also of a decision to deny flight to the aggressor's air force.

Mr. Secretary General, I implore you, as the person most responsible for the implementation of NATO decisions, to do everything within your power to immediately halt a massive Serbian offensive against the Bihac safe haven, with a stern threat or actual air strikes by the air force under your command.

I emphasize that nearly 300,000 people live in the Bihac safe haven—which has been totally encircled by the aggressor for 23 months—among whom are numerous refugees. I ask you once again to act in accordance with the seriousness of the situation, concludes the letter that Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, sent to NATO Secretary General Willy Claes.

Reportage on Bihac, Western Region Situation

Abdic Issues Proclamation

LD1611153194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1446 GMT 16 Nov 94

[FBIS Translated Text] Banja Luka, 16 Nov (TANJUG)—Units of the people's defense of the autonomous province of western Bosnia, under the command of Fikret Abdic, today embarked on liberating their territories, Radio Velkaton, broadcasting from a temporary location, reported at 1400 today.

Fikret Abdic, in his proclamation broadcast by Radio Velkaton, told the population of the autonomous province and the international public that the liberation of western Bosnia began this morning. According to the proclamation, the people's defense units comprise 10,000 volunteers from the refugee camps and many soldiers from the 5th Corps of the Muslim army.

Abdic's proclamation said that units of the autonomous province of western Bosnia want to make it possible for their families to return to their homes, to put an end to suffering, and to organize power in the region according to the people's will.

"A column of peace, moving under flags of the autonomous province, hopes to return home under its own and UN flags," the proclamation noted. "Attempts are under way to destroy the autonomous province of western Bosnia, and we are returning to save it."

The proclamation appeals to the population to remain in their homes, and calls on the 5th Corps to surrender without resistance, with the message: "We are not granting you an amnesty, we are allowing you to return home."

Abdic Forces in Velika Kladusa

LD1611164894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1551 GMT 16 Nov 94

[FBIS Translated Text] Banja Luka, 16 Nov (TANJUG)—Units of the people's defense of the autonomous province of western Bosnia today entered Velika Kladusa, the headquarters of Fikret Abdic have confirmed.

Units of the people's defense have crushed the 5th Corps defenses in several directions and embarked on liberating territories, the same sources say.

According to unofficial figures, around 30,000 people, members of the people's defense and civilians from the refugee camps of Batnoga and Turanj in the republic of Serb Krajina [RSK], have already entered Velika Kladusa.

According to unconfirmed reports, units of the 5th Corps tried to carry out an encircling maneuver and to break through in the region of Licko Petrovo Selo, on the territory of the RSK, in order to destroy the APZB forces, but without success.

Abdic Forces Advance

LD1611180494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1725 GMT 16 Nov 94

[FBIS Translated Text] Banja Luka, 16 Nov (TANJUG)-—After today's liberation of Velika Kladusa, units of the People's Defense of the Autonomous Province of Western Bosnia, which are advancing rapidly, have established a new separation line facing the 5th Corps of the so-called Bosnia-Herzegovina Army, the supreme command headquarters of the people's defense of the autonomous province of western Bosnia has announced.

A statement broadcast by Radio Velkaton this evening specified that the new separation line lies between Bosanska Bojna and Licko Petrovo Selo, which means that it is very near Cazin and around 25 km north of Bihac.

The people's defense forces of Fikret Abdic's autonomous province of western Bosnia "are advancing according to plan," the statement says. It adds that the units of the people's defense and the police of the autonomous province of western Bosnia have captured a large number of members of the 5th Corps of the so-called Bosnia-Herzegovina Army.

Velika Kladusa Surrounded

AU1711111694 Paris AFP in English 0848 GMT 17 Nov 94

[FBIS Transcribed Text] Sarajevo, Nov 17 (AFP)—Moslem rebel forces, backed by strong Serb artillery, have surrounded the government-held town of Velika Kladusa in northwestern Bihac and made inroads into the enclave further to the south, a UN spokesman said here Thursday.

"Velika Kladusa is completely surrounded by Abdic forces," Lt.- Col. Tim Spicer said here, speaking of the rebel Moslem forces loyal to former Bihac leader Fikret Abdic.

Abdic, a former member of the Bosnian collective presidency, was routed by Moslem-led government forces in August after a nearly one-year armed rebellion. The Abdic forces, who have crossed over from neighbouring Croatia, were equipped with multiple rocket barrel launchers and tanks. The rebels, backed by strong artillery fire from Serb-held parts of Croatia, had also breached government lines along a four kilometer-long front, further to the south, between Velika Kladusa and Bihac town.

UN officials, who did not wish to be named, suggested the Abdic forces might include contingents of Serb troops from the breakaway Krajina region of Croatia which borders Bihac enclave to the west.

Meanwhile, government forces and Bosnian Serbs were locked in battle to the immediate east of Bihac town, fighting in heavy rain and fog for control of the Grabez plateau.

5th Corps Issues Proclamation

AU1611205394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 16 Nov 94

[FBIS Translated Text] This evening, a proclamation was issued to the people of Bosnian Krajina regarding the grave situation in which this region has found itself. The proclamation was issued by the 5th Corps of Bosnia-Herzegovina Army:

The Bosnia-Herzegovina Army, 5th Corps. Proclamation to the people and citizens of Bihac District. Text:

For the umpteenth time in the last two and half years of war, the people of the Bihac District are again living through the worst horrors and suffering, faced with the serious threat of suffering a total defeat with the blessing of the international community. For two and a half years Bosniaks and the Croats throughout Bosnia-Herzegovina have fought constantly for biological survival, relying exclusively on their own forces and resourcefulness. Not for a single moment have they wavered in the face of the fascist onslaught, on the contrary, they mustered the strength and courage to resist, to prevent further occupation of the internationally recognized state of Bosnia-Herzegovina and start liberating temporarily occupied territories. The members of the 5th Corps of the Bosnia-Herzegovina Army and the people of the Bihac District have made an enormous contribution to the defense of the Republic of Bosnia-Herzegovina and the strengthening of its military, political, and diplomatic position, the development of the federation, and the enactment of the Washington Agreements.

Residents of Bihac, Cazin, Bosanska Krupa, Kordun, Buzim, and all of you from other parts of Bosnia-Herzegovina who are present in Bihac District! The Serbo-chetnik aggressor has launched a new offensive of great dimensions against the Bihac district, using all available forces and arms. They are attacking us with prohibited arms and aligning themselves with Martic's chetniks. They are devastating our homes daily, killing innocent civilians. All this is happening before the eyes of the international community, which registers the events and expresses concern.

For the umpteenth time we are faced with the danger of physical extermination. All the forces of darkness and evil have ganged up against us. This morning, open aggression against the Bihac district and the internationally recognized state of Bosnia-Herzegovina has been launched from the territory of the so-called Serbian Autonomous Region of Krajina in the UN Protected Area and the temporarily occupied parts of the Republic of Croatia. The Martic's chetnik enemy forces have penetrated individual parts of the free territory of Bihac District with the aim of dispersing 5th Corps forces and occupying the free territory. With this, the restoration of the total sovereignty and integrity of the Bosnia-Herzegovina state within its internationally recognized borders would be removed from the agenda once and for all.

People and residents of Bihac District! We are convinced that in this grave situation we do not need to prove already demonstrated patriotism. The 5th Corps command, its fighters, officers, members of the Ministry of Internal Affairs, and other defense subjects are ready and determined to defend every inch of the free territory of the Bihac district and the State of Bosnia-Herzegovina.

The fate of the people and the state of Bosnia-Herzegovina is again on trial in the territory of the Bihac District. For this reason we appeal to the entire nation and all citizens to provide the maximum contribution to its defense, to the sociopolitical and municipal communities to act in accordance with the defense plans, and to all armed forces members who are for various reasons away from their units to immediately report to their commands.

For a free Republic of Bosnia-Herzegovina,

[Signed] The Command of the 5th Corps of the Bosnia-Herzegovina Army.

Army Statement on Fighting

AU1611154994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 16 Nov 94

[Statement issued by the press center of the Bosnia-Herzegovina Army]

[FBIS Translated Text] An all out attack on Bihac and Velika Kladusa by Karadzic's Serbs and the Serbian paramilitary infantry from the UN Protected Areas in the Republic of Croatia is currently under way.

At this very moment, the Srpska army is shelling all free the territories of the Bihac region horrendously. With a total mobilization of all manpower and material resources and (?the usual) assistance from Serbia and Montenegro, the Serbian aggressor is attacking all our defense lines. The fighters of the 5th Corps of the Bosnia-Herzegovina Army would not allow the achieved lines to be moved in any part and are holding firmly onto all strategically important positions and installations.

In conjunction with the attacks on the forward defense lines, the Serbian aggressor continues to shell all settled areas.

According to information received from the 5th Corps of the Bosnia-Herzegovina Army, several Volkov surface-to-surface missiles have landed on the town. According to the current information, the casualties among the civilians are high and material damage is enormous. In what is so far the biggest attack mounted by joint Serbian aggressor units, the armed Ustasha of traitor Abdic's para-army are also participating.

Bihac Shelling Continues

AU1711115894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 17 Nov 94

[Report by Mirza Sadikovic]

[FBIS Translated Excerpt] Since early this morning [words indistinct] on all defense lines (?throughout) the 5th Corps theater of operations (?from) the so-called SAO [Serbian autonomous region] Krajina. The lines of defense and all settlements along the state border with the Republic of Croatia, that is, the so-called SAO Krajina, are being pounded with tanks, howitzers, mortars of all caliber, and anti-aircraft weapons.

The town of Bihac and Cazin municipality have been intensively shelled since 1000. Velika Kladusa is also being attacked from all sides and with all available weapons since this morning. There are many civilian casualties. According to the still incomplete information, at least a dozen have been killed, while many of them were wounded seriously. No one is even looking at the material damage any longer. [passage omitted]

According to the statements by the captured chetniks and the papers found on those who have been put out of action, there is more and more evidence of the attack by the chetniks from almost the entire Serbia, the so-called SAO Krajina, and the forcefully mobilized Muslims from the Batnoga and Turanj camps.

We end this dispatch with a (?reasonable) question: Is another protected zone dying with the blessing of the United Nations?

Izetbegovic, Dudakovic Converse

AU1611200894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 16 Nov 94

[FBIS Translated Text] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, talked to Atif Dudakovic, commander of the 5th Corps of the Bosnia-Herzegovina Army, over the phone today. Dudakovic informed President Izetbegovic about the current situation in this part of the Bosnia-Herzegovina battlefield where the Serbian aggressor is launching massive attacks by his united forces.

Especially characteristic in Dudakovic's report is information about powerful attacks coming from UN Protected Areas. As is known, the Knin Serbs are besieging Bihac with artillery attacks, helicopter assaults, and in all other ways. For the time being, there has been no reaction by the international community and NATO despite very exact decisions concerning the Bihac safe haven.

Delic: UN Claims 'Rubbish'

AU1611142294 Split SLOBODNA DALMACIJA in Serbo-Croatian 16 Nov 94 p 5

[Interview with Brigadier General Rasim Delic, Bosnia-Herzegovina Army chief of staff, by Stipe Pudja; place and date not given: "Serbs Will Never Take Bihac"]

[FBIS Translated Text] *After just a few attempts and a good deal of patience did we manage to get hold of Brigadier General Rasim Delic, commander, or officially chief of staff, of the Bosnia-Herzegovina Army. Despite being extremely busy with developments on the ground, he found time to comment on the latest situation around Bihac and other fronts in Bosnia-Herzegovina for SLOBODNA DALMACIJA, the paper for which his spokesman said he had to find time.*

[Pudja] I am interested in your assessment of the situation around Bihac, considering that Serbian sources and the UN Protection Forces [UNPROFOR] are saying that the Serbs have been scoring successes in that region. Is Bihac in real danger?

[Delic] I can openly tell you they will never take Bihac. They are pounding it, true, but in the military sense they cannot do anything more serious. We have many civilian casualties, since Serbian artillery is targeting civilian areas. They have shown that this is what they are best at during their aggression on Bosnia-Herzegovina and Croatia. What they are doing is a pure degradation of artillery.

Corrections of Positions

[Pudja] Have the Serbs advanced as much as their and UNPROFOR sources claim?

[Delic] They are claiming all sorts of rubbish. Both the Serbs and UNPROFOR. Just remember UNPROFOR's disinformation from May this year concerning Gorazde. The truth is that there have been some corrections of our military positions on the newly liberated territory, but the Serbs have not retaken anything strategically important. They have certainly massed a great force in an attempt to achieve something as compensation for the defeats they have been suffering.

[Pudja] What is happening on the fronts around Mostar and Teslic?

[Delic] In military terms, what we are doing now is trying to stretch the Serb aggressor on all fronts, as we know that he cannot respond everywhere. That is why they are suffering such defeats. If we could make sure that they did not attack from the UN Protected Areas [in Croatia], we would completely rout them there as well.

[Pudja] Serbian sources say that forces are massing around the corridor in Bosanska Posavina.

[Delic] I can say that the Brcko corridor is an operation of great strategic importance, and we will not launch this operation naively. As far as we, the Bosnia-Herzegovina Army, are concerned, the corridor has not been set as a task to any of our commanders or corps.

[Pudja] These days the Bosnian Serbs are also frequently attacking Sarajevo.

[Delic] Yes, unfortunately, Sarajevo is in the same position as it was in 1992. All the wrappings that General Rose—and those who have created the freedom of Sarajevo in their own way—has tried to put Sarajevo in are now falling apart. No important changes have been made in Sarajevo. An illusion has merely been created that things are better, while in essence the blockade is still there, except that now we have UNPROFOR making sure that we cannot do anything militarily. In that sense, it is very indicative that in Sarajevo particularly, and also now in Bihac, Zepa, Srebrenica, and Tuzla, UN Security Council resolutions are being completely ignored, resolutions that mean that the international community has given UNPROFOR the task to protect civilians in these protected zones. Obviously in our case the protected zones are the most unprotected zones! That says enough about the quality of life and the attitude of the international community toward Sarajevo.

Aggressor and Victim

[Pudja] What was your reaction to the decision by Washington to withdraw its ships that were enforcing the arms embargo?

[Delic] This is very important for us, particularly in the political sense. This is obviously a principled U.S. policy. They have denied the support to the unjust arms embargo against the armed forces in Bosnia-Herzegovina that have been fighting against Serbian aggression. This shows that the United States remains in the political positions to which it has been committed for a long time, regardless that this move means that it has a rift of sorts with its allies in NATO and the Contact Group. Therefore, this is a significant political move that tells us that there are forces within the international community led by the United States that accept the reality on the ground. The reality is that there are no warring sides, but there is an aggressor and a victim, and that one cannot equate the legal and legitimate institutions with the Serbian paramilitary and para-state, which the Serbs are trying to create, and not only in Bosnia.

Croats Thwart Serb Spearhead on Kupres Front

LD1611170894 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 16 Nov 94

[FBIS Translated Text] A combined Bosnian Serb spearhead has been thwarted on the western defense lines of the Kupres front, the political department of the defense ministry of Herceg-Bosna has announced.

The HVO [Croatian Defense Council] managed to push back the Serbs another 4 km in a strong counterattack.

A general alert was sounded in Tomislavgrad at noon.

Serbs Continue Shelling Tuzla; No Casualties

AU1711102294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 17 Nov 94

[Report by Salih Brkic from Tuzla]

[FBIS Translated Text] The chetniks have not stopped shelling Tuzla, which is allegedly under UN protection. A general alert has been continuously in force since yesterday morning. After the chetniks from Mount Majevica fired 10 tank shells on Tuzla last night, the shelling continued this morning. By 0930 this morning, another three heavy projectiles landed on the town.

In contrast to yesterday, when one resident of Tuzla was killed and two wounded, there were no casualties in the shelling this morning, but the material damage is substantial.

Mortar Shells Hit Sarajevo Presidency Building

AU1711115194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 17 Nov 94

[FBIS Translated Text] On the Sarajevo front, this morning the aggressor fired three mortar shells on Hrasnica from the direction of Ilidza.

From the aggressor's artillery positions around Sarajevo, shortly after 1100 mortar shells were fired on the central parts of the city. Two shells hit the presidency building, two others landed in front of the building. Three mortar shells landed on Marijin Dvor.

This was reported by the Information Service of the 1st Corps. According to the initial report, several civilians were wounded.

Serb Attacks in Gorazde Area Continue

AU1711121094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 17 Nov 94

[FBIS Translated Excerpt] The aggressor's attacks on the Gorazde protected zone last night resulted in four civilians being wounded in the settlement of Osanica, two of them very seriously. The aggressor continues attacking Viskovici, Obarak, and Kokino Selo. [passage omitted]

UNHCR Aid Reaches Muslims Via Serb Territory

LD1611232294 Belgrade TANJUG in English 2219 GMT 16 Nov 94

[FBIS Transcribed Text] Zvornik, Nov. 16 (TANJUG)—The U.N. High Commissioner for Refugees Wednesday sent nearly 70 metric tons of food via Bosnian Serb territory to Muslim-held towns in eastern Bosnia.

The Bosnian Serb command in the eastern Bosnian town of Zvornik, on the border with Yugoslavia, said aid shipments had gone to Srebrenica and Zepa in the valley of the Drina, which were designated 'safe havens' by the United Nations in the spring of 1993.

The Drina River forms the natural boundary between the former Yugoslav republic of Bosnia-Herzegovina and Yugoslavia.

After the usual checks at Zvornik, eight trucks took 36 metric tons of flour and 8,700 pairs of shoes to Srebrenica.

Another seven trucks took more than 33 metric tons of flour, sugar, canned beef and salt, a ton of soap, 3,000 pairs of winter shoes and 1.5 tons of nails to Zepa.

Milovanovic: Serbs 'Forced To Destroy' 5th Corps

LD1611182894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1741 GMT 16 Nov 94

[FBIS Translated Text] Banja Luka, 16 Nov (TANJUG)-—Lieutenant Colonel General Manojlo Milovanovic, commander of the combined units of the Srpska republic army on the Bihac battlefield and chief of general staff of the Srpska republic army, told TANJUG this evening that the Srpska republic army was forced to destroy the 5th Corps of the so-called Bosnia-Herzegovina Army because, if not, "the monster will recover and drive out both the Serbs and Muslims from their ancestral homes."

Appealing to the Muslims in Bihac to prevent the evildoers from entering the town, Milovanovic said that the Srpska republic army does not plan to enter the international protected zone of Bihac.

"But, if the evildoers seek refuge in that town, we will persecute them even there because we have the right to do it on the basis of both natural and international law," he said.

Milovanovic recalled that the Srpska republic army had given a chance to the soldiers and officers of the 5th Corps of the so-called Bosnia-Herzegovina Army to surrender and thus save their lives.

Gen. Milovanovic's call on the Muslims of Cazin to cooperate ended with an appeal not to miss the opportunity to free themselves from the mutual oppressor—the 5th Corps of the fundamentalist Bosnia-Herzegovina Army and its leader Alija Izetbegovic. They will thus gain peace, freedom, and a quiet life.

Serb General on Army Attacks From Protected Zones

LD1611155994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1505 GMT 16 Nov 94

[FBIS Translated Text] Zvornik, 16 Nov (TANJUG)—Lieutenant Colonel General Milan Gvero, assistant commander of the Srpska republic army [VRS] General Staff, told TANJUG today that, by launching its offensives and combat activities from the so-called protected zones, the Muslim side "publicly questions the need for protecting those areas" by anyone.

Gvero said that the introduction of the protected zones around Sarajevo, Gorazde, Bihac, Tuzla, Srebrenica, and Zepa was "a flagrant violation of the rules of the international warfare law and of the Geneva conventions," under which "no weapons or armed individuals or units are allowed inside the protected zones," and "no weapons will be allowed to be manufactured in them."

"In the Bosnian version of absurdity, in the so-called protected zones, the entire corps of armed Muslims are being protected and their strength increased by their protectors," he said. "In this way the protectors openly engage militarily on the side of the Muslims."

"When, from the protected zones the Muslim army launches offensive operations and achieves initial surprise success, the protectors take no steps to stop them, and very often provide military help for the Muslims, while at the same time their media launch large-scale propaganda in support of the Muslim side," Gvero said.

He drew attention to the constant failure to condemn the violations of the protected zone status, adding that "the chorus of the international Muslim lobby only makes itself heard when the VRS, forced to launch strong counter-attacks, drives the Muslims into defeat, regains its territories, and creates conditions for the military defeat of those who violate the protected zones."

"This is precisely what is taking place around Bihac, and also around Sarajevo and Gorazde, against the backdrop of loud demands for urgent measures to protect the Muslim conquerors, and military strikes against the Serb defenders," Gvero said.

"Do the citizens of the United States, Great Britain, France, Russia, Germany, and other countries know what their statesmen are deciding, and do they know that the greatest theater of absurdity is playing here," he asks. "Pointing to the "brutal violations of all international law principles and the introduction of jungle law," the deputy chief of the general staff stresses that the international public has not been informed about this, otherwise it would not approve of this.

Gvero maintains that it is necessary to raise the question in public of "what should force the VRS to strictly abide by the absurd international nonsense, and protect the so-called protected zones."

He stressed that the VRS "has demonstrated to the entire world that it absolutely willing to respect international warfare law and the decisions of international institutions, the maximum of reasonable cooperation in seeking solutions for an end to the hostilities, and seeking ways of peace."

All of this "has so far been recognized and respected by no one," while the VRS "will preserve its self-respect and military dignity, but it will surely know how to draw true conclusions from the conduct of others", Gen. Gvero says in conclusion.

Biljana Plavsic Has Most 'Confidence' in Hurd

AU1711100194 Belgrade TELEGRAF in Serbo-Croatian 16 Nov 94 p 16 (tentative)

[Interview with Biljan Plavsic, "vice president" of the Srpska republic, by Goran Rosic; place and date not given: "Srpska Republic Army Ordered To Halt, Not Respond to Muslim Offensives"]

[FBIS Translated Text] [Rosic] Three months have passed since the introduction of the FRY [Federal Republic of Yugoslavia] blockade of the Srpska republic . You are banned from entering Yugoslavia. Do you find that hard to take?

[Plavsic] I personally have been banned entry, but so have many others. I think that there are about 130 names on the list. I feel quite fine on the territory of the Serb Republic. The fact that we cannot travel there is the least important thing. However, there are certain problems connected with humanitarian aid. Anyway, it is hard to accept that the Serbian regime is behaving like this toward the same people, only divided by the Drina River.

[Rosic] At the time when the Vance-Owen plan was on the table, you turned your back on Slobodan Milosevic. Did you have a feeling then of what would happen?

[Plavsic] I knew exactly what he would do in the assembly. One could have expected that from a person who—in these two and a half years of our misery—never once felt interested enough to come and encourage the people with his presence. The people trusted him implicitly, but not any longer. Of course I knew how he would behave. I did it, I turned my back on him. Of course it was not diplomatic of me.

[Rosic] You are very popular among the soldiers in the Srpska republic. One tank even bears your name.

[Plavsic] I visit them a lot. They probably feel that, even though I do not stress it, I feel good among them. I have very close relations with them. They can tell me everything, which they probably cannot do with some other politicians. There have been some contradictions during these two and a half years as far as the policy and the situation on the ground are concerned. It has not been always possible to synchronize the political and diplomatic activities with the military ones. There have been cases of advance, and then orders arrived to halt! A soldier cannot accept that.

[Rosic] Where have the orders to halt been coming from?

[Plavsic] From the leadership in Belgrade. We had their instructions, and they on the other hand got their instructions from abroad, from the West. Of course that does not suit a people that is fighting for its survival. It was hard to explain that to the soldiers. The Muslims were always launching offensives, people were killed, and we could not get a permission to counterattack for political reasons.

[Rosic] There are rumors that Zeljko Raznatovic-Arkan is in the Srpska republic. Have you met him?

[Plavsic] I do not know whether he is here. Arkan carried out a brilliant operation at the beginning of the war in Bijeljina. That was the first time I met him, and I remember him for that.

[Rosic] Is it true that you recently offered to shake Milan Babic's hand, saying "Congratulations, future governor of the Knin County [in Croatia]?"

[Plavsic] I did say it in my own style. I do not want him to give in, to yield. It seemed to me that everything pointed to him coming under Mikelic's influence, and of course we know whose puppet Mikelic is. My congratulations to Babic—"governor of Tudjman's county," as I put it—was only intended to prevent him from going the same way. He has really suffered a lot for Serbianhood, because he is committed to the real Serb interests. I congratulated him in that way preventively, out of fear that he might give in.

[Rosic] Why, in your view, has the U.S. President lifted the arms embargo against the Muslim side?

[Plavsic] Clinton has found himself in an unenviable position following the change in the Congress. He is a man who has difficulty in finding his own feet. He has done something that will complicate his position further, as one could have expected. Clinton has been conducting a policy of appeasement to the Islamic world. That is probably why he has lifted the arms embargo unilaterally. The latest polls show that Clinton stands no chance in the next elections.

[Rosic] How should Russia behave after this U.S. decision?

[Plavsic] The way I have heard that the Duma behaved. I have heard that the following sentence was uttered in the Duma: "We, too, have weapons. We, too, have our channels to the Serb Republic." That is how I would like Russia to behave.

[Rosic] Why is the leadership of the Srpska republic dissatisfied with the role of the Russian diplomatic corps, and particularly with Andrey Kozyrev?

[Plavsic] Over a relatively brief period of time we noticed a kind of evolution with Kozyrev, a negative one from our point of view, with certain calculations. He and Russia were going to guarantee that we get equal status with the Muslim and the Croatia sides in the constitutional arrangements and rights. A statement by such a man cannot be a guarantee to us. We cannot rely on him.

[Rosic] There has been talk recently that there is a secret document, which—among constitutional arrangements—no longer mentions the Serb entity, but the Srpska republic.

[Plavsic] Let them come out with such proposals openly. Let them send us such solutions in the most official of ways. This way, one person says this, and the other one that. To tell you the truth, I have the most confidence in Douglas Hurd, who has said openly: "This part of the Bosnia-Herzegovina territory belongs to the Muslim-Croat federation, while the Bosnian Serbs will live on this other part of the territory." The Englishman should be trusted more.

[Rosic] What influence does the Socialist Party of Serbia [SPS] have in the Srpska republic?

[Plavsic] Since the official policy of the Socialist Party is that the Contact Group plan should be accepted, the SPS has very few supporters in the Serb Republic. From the point of view of national interests, it is an anti-national party. That is how I would define it. The basic interest of the Serbian nation is a Serb state on the territory of Bosnia, which will unite with all the other Serb states. All the parties that do not have that basic approach can be called anti-Serbian parties. In my view the SPS belongs to that group of anti-Serbian parties.

[Rosic] When will you be coming to Serbia?

[Plavsic] I could come now. People have been inviting me, saying they will get me across, but since I am the vice president of the Srpska republic I cannot come that way. God willing, I will come to Serbia when things change in the minds of some people there. I am a Serb, a Bosnian, and this Bosnian climate suits me very well indeed.

[Box, p 17]

I Was Married to a Krajina Serb

[Rosic] In last week's TELEGRAF, Knin mayor Drago Kovacevic said that he was surprised that such a great Serb as Biljana Plavsic should have been married to a Turk, that is, a Muslim.

[Plavsic] God help us! I was married to a Serb from Krajina, a respectable lawyer in Sarajevo. This cannot be hard to check. Not only is he a Serb, but he is also from Krajina. I do not know this Drago Kovacevic. He was probably opposed to my address at the Knin assembly, so that is why he said that.

Paper Alleges U.S. Assisting Bosnian Muslims

MS1711092694 London THE EUROPEAN in English 18-24 Nov 94 pp 1-2

["Exclusive" report by Chief Correspondent Askold Krushelnycky in Vitez, and Diplomatic Editor Ian Mather: "America 'Has Joined War' in Bosnia"]

[FBIS Transcribed Text] The United States, chastised by its European allies for its decision to stop enforcing the arms embargo against Bosnia, is already deeply involved in helping the war effort of the mainly Muslim government army, The European can reveal.

European sources confirm that small teams of non-uniformed personnel working for the CIA are now in position in Bosnia and have begun providing direct assistance to the Bosnian Muslims. That assistance includes training in tactical operations, providing satellite intelligence and controlling air traffic. "They are teaching the Bosnian Muslims how to fight the Bosnian Serbs," said a European defence source. "We are talking about the Americans taking sides. They have, in fact, joined in the war."

The European has learned that the deal was sealed among the rubble of the main street of the central Bosnian town of Gornji Vakuf, with an earnest 30-minute conversation between a group of senior American officers and the Bosnian Army's most important field commander.

The official line was that the discussions were to promote the Muslim-Croat confederation in Bosnia, and show support for UN forces. But the real reason was to make recommendations to the Pentagon about how to provide military support to the Bosnian presidency. The result was a US decision to launch a covert plan to help the Bosnian Muslims, thus becoming for the first time an active participant in the ground war in Bosnia.

Though the number of Americans in Bosnia is said to be small, the technology at their disposal gives them enormous potential to influence the course of the fighting. Information from American military satellites, which provide the only comprehensive picture of Bosnian Serb positions for NATO warplanes overflying Bosnia, is being "downgraded" to the US teams on the ground, who pass it to the Bosnian Muslim forces.

Senior officers of the UN protection force, UNPROFOR [UN Protection Force], say that they know that the US military and CIA personnel have been playing a role in helping train soldiers and planning Bosnian army operations. One west European UNPROFOR officer in Vitez said: "We have seen Americans in uniform and out of uniform for some months. They stay at some of the Bosnian Army bases and keep themselves to themselves. We have seen a number of places where the road has been converted into a landing strip."

The European visited one such airstrip in central Bosnia. The gently winding two-lane highway turns into a straight stretch nearly a kilometre long. Broad white lines mark the ends of the runway and white lines sandwiched between red lines run along the centre of the road. The yellow crash barriers on either side of the road have been carefully dismantled and lie along the grass verge.

A heavily camouflaged base belonging to the Bosnian Army's 3d Corps is hidden in fields off the road. One farmer said: "I have seen small planes landing, and sometimes they are parked near the base under camouflage netting."

The Americans, according to a Western source, are also masterminding the construction of a secret airfield in an isolated valley between Visoko and Kakanj in central Bosnia, about 25 km from the nearest Bosnian-Serb positions. The airstrip, constructed of crushed stones, is ready to cope with the supply of weapons if the arms embargo is lifted.

Tactical training to overcome one of the main weaknesses of the Bosnian Muslim army, which is now 200,000 strong after being swollen by large numbers of new recruits, is also being undertaken by the American "advisers" in Bosnia. The assistance of the US teams has been vital in recent Bosnian Army successes. The breakout by the Bosnian Muslims from the Bihac pocket in October and the capture of Kupres are said to have indicated skills obtained by outside training.

The Gornji Vakuf meeting was between a US team led by General Charles "Chuck" Boyd and General Filip Alegie, commander of the Bosnian Army's Sixth Corps.

Boyd was accompanied by Brigadier General Mike Hayden, head of intelligence in the US European Command, Brigadier-General Mike Miza, Director of Operations at the US European Command, and Brigadier Andrew Ridgway, local sector commander of UN forces. Two US ambassadors were there to assess whether the US should lift the arms embargo on the Bosnian Muslims.

A senior UN official told The European that he was unaware of any US service personnel training Bosnian troops. A Pentagon official said he had "no information" on US military involvement on the ground in Bosnia. But, according to another Pentagon official, a contingency plan for training the Bosnian troops outside Bosnia does exist, though he refused to elaborate.

Further evidence of the extent to which the US is aligning itself with Bosnia came with Washington's abrupt announcement that it was unilaterally withdrawing its support for the arms embargo. The allied ships operating the embargo in the Adriatic rely on US satellite intelligence for information about gun-runners.

As NATO reeled from the blow its Secretary-General Willy Claes travelled to the US for urgent talks with President Clinton to try to persuade him not to drop the embargo—a move opposed by Russia and Europe.

Serbs: UNPROFOR Supplying Muslim Army

LD1611195794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1600 GMT 16 Nov 94

[FBIS Translated Text] Belgrade, 16 Nov (TANJUG)—The main headquarters of the Srpska republic army today sent a sharp protest to the UN Protection Forces [UNPROFOR] commands in Zagreb and Sarajevo because members of the UN peace forces are taking part in the delivery of military aid to units of the 5th Corps of the Muslim army.

In the letter sent to Yasushi Akashi and General Michael Rose, the main headquarters of the Srpska republic army claims that on the night of 15-16 November four transport planes which took off from Pleso near Zagreb landed at Coralici airport near Cazin.

"The UNPROFOR command headquarters for Bihac, the logistics base of the UNPROFOR Bangladeshi battalion, and a team of UN military observers are stationed at the airport. They guided and provided cover for the aircraft during landing and take off," according to the protest, a copy of which has been forwarded to TANJUG.

"The aircraft transported weapons, ammunition, and troops sent by the Army of the Republic of Croatia as reinforcements for units of the 5th Corps and soldiers from Islamic countries. The transport operation was headed by Major General Vlado Santic, the coordinator at the general staff of the Croatian Army for cooperation with the Croat Defense Council and the 5th Corps," the protest states.

Expressing dissatisfaction and concern over UNPROFOR's biased attitude, the general staff of the Srpska republic army demands that the UN secretary general, the UN Security Council, the member-states of the Contact Group, and the international public be immediately informed about this operation.

The general staff of the Srpska republic army demands that urgent measures should be taken to close down Coralici airfield and that the UNPROFOR individuals responsible for this operation be dismissed.

Silajdzic Urges Yugoslav Republics' Recognition

AU1611152294 Belgrade BORBA in Serbo-Croatian 16 Nov 94 p 6

[Interview with Bosnia-Herzegovina Prime Minister Haris Silajdzic by BETA correspondent Rialda Sebek "especially for BORBA" in London; date not given: "We Are Offering Immediate Recognition to Serbia and Montenegro]

[FBIS Translated Text] London—*Haris Silajdzic, head of the government in Sarajevo, has arrived in London for a two-day visit. The aim of his visit is to ask British officials to agree to the lifting of the arms embargo.*

In London, Silajdzic met Defense Secretary Malcolm Rifkind and Douglas Hogg, minister of state at the Foreign Office. After a visit to the Foreign Office, Silajdzic made a special statement for a BETA correspondent, Rialda Sebek:

[Sebek] What was the reaction when you requested Douglas Hogg that the British Government re-examine its stand on the arms embargo to the Bosnian Muslims?

[Silajdzic] I doubt that my arguments have changed their views. We are obviously talking about the main line of British policy. However, if anything else, we have at least agreed that there are no changes regarding the integrity and sovereignty of Bosnia-Herzegovina. The British Government supports the integrity of Bosnia-Herzegovina and its internationally recognized borders. As is known, these borders were not determined yesterday. Bosnia-Herzegovina is a 1,000-year-old state. The contemporary borders were set recently, when the borders of all other former Yugoslav republics were set.

So, it is good that the British Government supports this, and we must search for some kind of solution in this context.

[Sebek] Prior to your visit to London, it was announced that you would present a "whole package of criticisms" to British officials.

[Silajdzic] This is nothing new, we have had our differences with the British Government for some time; there is nothing especially new about that. We are also here to hold talks, not only to criticize, but also to listen. I can criticize from Sarajevo; I do not have to come here to do that.

[Sebek] How do you view your visit to London?

[Silajdzic] This was a good exchange of views. We established that the problem lies in the fact that the Serbs from Pale need to accept this agreement and peace. They have still not done so. I also agreed that the regime in Belgrade has finally done something toward peace in Bosnia-Herzegovina. The borders have been closed, although, of course, not completely. We know that many things are crossing the border, but at least something has been done in that direction. However, this is far from sufficient, far from what should have been done.

What the regime in Belgrade should have done is to put international order in its old place, to recognize the borders. We formally have a problem of the violation of the border effectively undermining international order.

[Sebek] You once said that you were very much in favor of the mutual recognition of Serbia and Croatia, but not to the detriment of Bosnia-Herzegovina. What exactly did you mean by this?

[Silajdzic] Yes, not only are we in favor of mutual recognition between Serbia and Croatia, but we also in favor of mutual recognition among all of the former Yugoslav republics. This will undoubtedly happen, so it may just as well happen sooner rather than later.

We know from the recent past that there has been some speculation about the effects of agreements between Serbia and Croatia on the fate of Bosnia. We hope that this is no longer the case, because it has been demonstrated that it is impossible to divide Bosnia despite all the agreements, and that all this should be approached with a bit more sincerity. In fact, if the recognition among the former Yugoslav republics does take place, then we will have a completely new situation. We will be able to turn a new page and start from the beginning, if not for us, then for the generations to come. They do not need war, they need peace. We are responsible for both peace and war.

[Sebek] Could the Serb-Croat rapprochement adversely affect the Federation of Bosnia-Herzegovina?

[Silajdzic] No. Regardless of all the good and bad interests, Bosnia-Herzegovina cannot be divided. We are deciding on the fate of Bosnia-Herzegovina. Those times are gone and the people in Belgrade should know that. We in Bosnia-Herzegovina decide on the fate of Bosnia-Herzegovina. No one else. The sooner that this is realized the better. So, we are offering immediate mutual recognition to Serbia and Montenegro.

Muslims Arrest, Jail Tuzla Croat Fighters

LD1611211994 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 16 Nov 94

[FBIS Translated Excerpt] The agreements between Croat and Muslim leaders, on ensuring that the wishes of all Croats in the Tuzla area to choose which units they would join are respected, do not seem to be implemented as intended in the field. After their return from the Bosnian Posavina, some Croat fighters have even been arrested. Our colleague has the story:

[Correspondent] Under the agreements between Croat and Bosniak Muslim military and political leaders, which followed the signing of the Washington agreement, the Croats were allowed to join the Croat Defense Council [HVO]. During all this time when the procedure—agreed at the federal level and passed on to lower civilian and military bodies—should have been observed, the drafting of the Soli Croats [Croat community in Tuzla] into the HVO's 108th Brcko Infantry Brigade did not proceed in line with the agreement.

This problem is particularly serious with the fighters who, after the disbanding of the HVO's 115th Zrinski Brigade, were immediately allocated to some of the Tuzla brigades of the Bosnia-Herzegovina Army's 2d Corps. High-ranking Muslim officers in the 2d Corps—then headed by Brigadier General Hazim Sadic, who is being replaced now—promised that there would be no problems; however, there were some big ones.

All Croat fighters submitted written requests to join the HVO's 108th Brcko Infantry Brigade and received written consent from the brigade's commanders, but the 2d Corps did not react to this or else denied responsibility for it. Having realized that the military structures of the Bosnia-Herzegovina Army were deliberately doing this in order to prevent them from joining the HVO, the Croat fighters joined the 108th Infantry Brigade on their own initiative. There they resumed their military service for several more months.

However, several days ago, the arrests and trials of these people started again. When the fighters from the Posavina battlefield returned, the military police of the 2d Corps of the Bosnia-Herzegovina Army immediately arrested them and held them in prison for several days. Some were sentenced to several months in jail with the explanation that they had deserted from the Bosnia-Herzegovina Armed Forces. [passage omitted]

To make things worse, according to Croat fighters, after their term in jail, they will have to remain in the Bosnia-Hercegovina Army's forces. [passage omitted]

Newspaper Lists Srpska Republic Military Units

AU1611165794

[FBIS Editorial Report] Zagreb GLOBUS in Serbo-Croatian on 11 November on pages 2-5 carries an approximately 4,000-word report by Eduard Popovic on the "Cincar" military operation of the Bosnian Army and the Croatian Defense Council on the Kupres front and the successes of the joint forces in capturing the town of Kupres on 3-4 November.

The report also includes an overview of the strength and organization of the Srpska republic forces. "The research on the Srpska army was carried out by GLOBUS' military affairs columnist."

The overview states:

"The army of the so-called Srpska republic is organized according to the principle of the maximum possible use of human potential in waging a war. The bulk of the Serbian population in Bosnia-Herzegovina is participating in light infantry brigades, usually consisting of 800-900 fighters. Regarding support weapons, they mainly have 60-mm, 82-mm, and 120-mm mortars and recoilless guns. The striking force of Karadzic's army consists of maneuver units. Two armored brigades—consisting of two tank and one armored personnel carrier units each (60 tanks and 30 armored personnel carriers), and one gun and one PZO [air defense] division—are deployed on the Doboj front and the Bosnian Sava basin region, in other words, in the corridor. Regarding support weapons, mechanized brigades with 2,000-2,500 fighters, consisting of up to three units, have one gun division, one tank platoon (or to be more precise, one company), and a light PZO gun division, which they use to provide direct support for the infantry. In addition to the mixed gun anti-armor brigade, the fire power of the army of the so-called Srpska republic rests on numerous gun divisions that are mainly deeply dug in on the territory behind the attained lines. Operations groups are set up for the defense of the weaker parts of the front. Due to the ban on flights, the Air Force is limited to using helicopters. Recently, the PZO has been attacking land targets (Livno, Bihac, Cazin, Buzina) with outdated SA-2 missiles. Regardless of the declared general mobilization in parts of Bosnia-Herzegovina, the Serbs cannot deploy more than 70,000-75,000 men in combat. With the 'volunteers' from the occupied parts of Croatia and Serbia, the Srpska forces cannot mount more than 80,000-82,000 soldiers for attacks."

The overview of the strength of the Srpska forces also includes several diagrams depicting the organization of the Srpska forces, and the names of main units and their commanders, as follows:

"Formations of the Srpska Republic Army in Bosnia-Herzegovina"

1. "The Supreme Command of the 'RS' [Srpska republic] Army"

—Radovan Karadzic, supreme commander

—Nikola Koljevic

—Biljana Plavsic

—Momcilo Krajisnik, assembly chairman

—Milovan Ninkovic, defense minister

—Ratko Mladic, commander of the Supreme Command Staff

2. "Staff of the Supreme Command of the 'VRS' [Srpska republic army]"

—Commander: Colonel General Ratko Mladic

—Deputy Commander: Lieutenant General Milan Gvero

—Chief of staff: Major General Manojlo Milovanovic

3. "1st Krajina Corps, based in Banja Luka—Lt. Gen. Momir Talic"

1st Armored Brigade, Colonel Ratomir Simic

2d Armored Brigade, Lieutenant Milan Skoric

1st Mixed Anti-Armor Artillery Brigade, Col. Ratko Bundalo

16th Krajina Motorized Brigade, Lt. Vlado Topic

43th Motorized Brigade, Col. Radmilo Zeljaja

Mixed Artillery Division (MAD)

"Luna" and "Orkan" Missile Brigade

11th Infantry Brigade, Slobodan Borojevic

22d Infantry Brigade, Lt. Slobodan Zupljanin

5th Kozara Brigade, Lt. Dusan Tubin

2d Krajina Brigade, Lt. Milorad Savic

19th Brigade

Light Infantry Brigades of:

—Banja Luka

—Prnjavor

—Srbac

—Ozren

—Sana

—Novigrad

—Doboj

—Jajce-Sipovac

—Laktasi

—Kotor Varos

4. "2d Krajina Corps, based in Drvar—Gen. Boric"

18th Infantry Brigade

Light Brigades of:

—Bihac region

—Krupa

—Glamoc

—Kupres

—Novigrad

Mixed Artillery Division (MAD)

5. "Sarajevo-Romanija Corps, Maj. Gen. Dragan Milosevic"]

1st Guard Brigade

2d Romanija Motorized Brigade

Infantry brigades:

—1st Romanija Infantry Brigade

—3d Romanija Infantry Brigade

Light infantry brigades of:

—Igman

—Kosevo

—Bircan

6. "East Bosnian Corps, based in Bijeljina—Maj. Gen. Novica Simic"

Battalion of military police

1st Semberija Brigade

2d Semberija Brigade

3d Semberija Brigade

1st Posavina Brigade

2d Posavina Brigade

3d Posavina Brigade

1st Majevica Brigade

2d Majevica Brigade

3d Majevica Brigade

1st Zvornik Brigade

The Panthers

Independent Mixed Artillery Division (MAD)

7. "Herzegovina Corps, Col. Gen. Radovan Grubac"

Mixed Herzegovina Brigade, Col. Rodoljub Andzic

Light infantry brigades of:

- Gorazde
- Trebinje
- Nevesinje
- Gacko

Independent Mixed Artillery Division (MAD)

"Formations of the Air Force and the Rear Area of the Srpska Forces in Bosnia"

1. "Air Force and Air Defense, Maj. Gen. Zivorad Ninkovic"

92d Mixed Air Brigade:

- Zaluzani Air Base:

"Mi-8" Squadron

"Gazela" Squadron.

- Mahovljani Air Base:

"Orao" Squadron

"Galeb" Squadron.

155th Missile Brigade PZO-SA-2

SA-6 Regiment

Air Monitoring Service (VOJIN)

- RST (expansion unknown) Kozara
- RSTT (expansion unknown) Jahorina

2. "Special-Purpose Production"

Pretis Enterprise in Vogosca

Overhaul plant in Hadzici

Kosmos overhaul plant in Banja Luka

KoV (ground forces) technical workshop in Banja Luka

3. "Hospitals"

Military Hospital in Banja Luka

War hospitals in:

Sokolac

Brcko

Trebinje

Mayor on Living Conditions in Sarajevo

95BA0008A Trieste REPUBLIKA in Slovene 25 Sep 94 p 17

[Article by Milos Ekar: "'We Pay Soldiers and Civil Servants With Cigarettes'"]

[FBIS Translated Text] As part of the Sarajevo event in Ljubljana, which took place last week, Sarajevo Mayor Dr. Tarik Kupusovic briefly visited us on the way to Vienna. In a one-hour interview, we tried to find out as much as possible about daily life in the occupied and devastated city.

Dr. Kupusovic is a "native Sarajevan." In 1952 he was born to a family that is mentioned in the city annals as the protector of one of the city wells ("CESME") as early as 1560. He completed his education, including the construction college, in Sarajevo, his postgraduate studies in Zagreb, and his doctorate in Sarajevo. In 1989 and 1990 he conducted a year of postdoctoral specialization in hydrodynamics and the quality of water in reservoirs and the sea at the EU's Ispra research center near Milan. He was employed the whole time as an assistant professor at the construction school and a scientific associate of the Hydrotechnology Institute. After his return he was selected as a professor and the institute's director. He is happily married and the father of two children.

He began his more prominent political career in September 1990, when he campaigned in the elections as the head of the SDA [Party of Democratic Action] slate in the Stari Grad municipality. During the year before the beginning of the war, he was a deputy in the city assembly and president of the party's deputies' club. After Kreseljakovic left to become ambassador to Italy, the parties represented in the city assembly, where the SDA had 41 out of 120 seats, unanimously elected him president.

On the City's Economy and the Supply of Its Residents

[Kupusovic] The city's economy has tightened its belt, since the tobacco factory is the only one still working. Cigarettes are the only pay for the soldiers and the only medium of payment in the marketplace, since nonsmokers also take them. The tobacco has been at the factory since before the war, when the enterprise was negotiating for licensed production of Marlboro cigarettes. It was necessary to store a rather large amount of tobacco in cellars for that purpose. Money is possessed by only 4-5 percent of the residents, who work for UNPROFOR [UN Protection Forces] or in some other way obtain money from relatives abroad.

During this summer's improvement in the situation, UNHCR [UN High Commissioner for Refugees], by its own decision, reduced the rations of daily assistance, which were otherwise supposed to amount to 600 grams of food in the summer and 750 grams in the winter, to approximately 200 grams, so the city was left completely without reserves. The warehouses are empty. We have been left with only some reserves of beans, which were distributed in April and May for several weeks in a row in the amount of 1-1.5 kilograms per resident. With the first spring sun, the weeds also came up, and the requirements for beans decreased. That is the only domestic food reserve left to us. There is little or no flour, cooking oil, sugar, and other staples.

At a conference on rebuilding Sarajevo (last Tuesday in Vienna—author's note), I warned that in 10 days at the latest the city had to receive more serious food aid. It is even worse because there is no energy, so what people could prepare at home cannot be cooked. There is also little wood. People did not have money for wood, which they could have bought in the summer in Breza or other nearby areas for 100 to 150 German marks a meter, plus transportation. We in the city administration are trying to obtain money to buy wood and coal, which UNHCR would distribute along with humanitarian aid to people who do not have gas, or if there is still no gas available. We cannot do that because of the Serbian blockade. Since the government had available approximately 10 or 12 metric tons of oil, it allocated it to the hospital, the bakery, and other enterprises that have furnaces, so that in at least a few places people can come for water with containers.

There are approximately 370,000 people, including refugees, living in the free part of Sarajevo. The Serbs drove 108,000 out of nearby villages and towns. There are fewer from the more distant cities. There are at least 5,000-6,000 people from Gorazde and Konjic. Among the refugees there are 40,000 Catholic Croats, and 65,000 Orthodox Serbs, who also have their own city council, but most are Bosnian Muslims.

On the (In)effectiveness of UNPROFOR

Since my appointment as president of the city assembly, I have been most involved in the preparations of plans for rebuilding and the long-term development of the city, and on the other hand with preparations for winter, which we did not expect to start as it did: with a shortage of water, gas, and electricity, and without communications. The only link with the world is UNPROFOR's airplanes, which also transport every day one of the Bosnian delegations, just as we also came from the city and will return to it, God willing, the same way.

UNPROFOR has the equipment to identify snipers in the vicinity. During a certain visit to the city by Rose, they shot at him. The bodyguard unit responded simultaneously, so to speak, and in doing so killed four chetniks. UNPROFOR has radars that accurately show the location from which a shot has been fired, what type it was, and show a gunner where he should shoot. It seems that they are not willing to use that equipment, as specified by UN declarations, for the defense of Sarajevo. It thus seems to me that the situation in the city would not essentially change even after the threatened departure of the French and British Blue Helmets. To be sure, we have good relations with the commanders of individual units. French General Sobirou, whose term is just ending (the general has in the meantime assumed command of the Blue Helmets in the city—author's note), did what he could, and thought that it would not affect the ordered neutrality of the UN units. He helped with machinery in rebuilding the road to the city, but the chetniks told him that it was a military road, which was absurd, of course. According to that logic, every city street is also a military one, since in addition to civilians soldiers and military vehicles also pass along it. "If you are not capable of protecting the city residents, then your presence is unnecessary," I have told UN representatives several times.

Less than one month ago, Serbian snipers fired at the city trolleys for 12 days in a row, wounded 17 people, and one was even killed. Trolley transportation takes place along six kilometers from Remiza to Bascarsija. We asked UNPROFOR to deploy its personnel on the trolleys, as at least a psychological threat to the Serbian snipers. After two weeks of persuasion, they decided to do it, but now that the trolleys are no longer running because the electricity was shut off, the soldiers are still at crossroads. That is what the inertia of that organization is like. It is not redundant in that case, though, because they are now guarding the pedestrians who pass by there.

What Sarajevo Residents Live on, and the Trade in Food

They live on humanitarian aid, and they work without pay, for the future. All the enterprises are operating with 10-20 percent of their employees, who maintain the shops, inventory the damage, and prepare plans to rebuild. Now, for example, we have tried to have humanitarian aid no longer delivered in the form of final products, but rather to have them send us the goods or wool, so that women will weave and sew clothing. Craftsmen also have their hands full of work in producing little stoves, candles, and similar necessary equipment. Throughout the war, cafes have fared best; they are only closed in the more exposed parts of the city, and certainly I do not think they should be closed, as some people have already demanded several times. A city without bars for people to gather and chat could not survive.

We probably cannot talk about a black market, since the authorities are not collecting taxes. We have only controlled the trade in meat and other perishable goods so that there will not be disease. There is no humanitarian aid in the marketplaces, since the Sarajevo police frequently check the vendors and what they are selling. It only happens that people exchange food from humanitarian aid that they do not use, for example cheese, for something else that they do use, for instance, eggs.

The Sarajevo Jews and Their Property

Before the war, 2,500 of them lived in the city, and now there are still 500. A few days ago I visited the Jewish assembly. Their representatives know precisely who left. Most of them also want to return. The first groups have already planned their return, but had to postpone it because of the latest Serbian blockade. Their property has the same status as anyone else's. The law on the restoration of former property to religious communities has already been passed, and a law on the restoration of property to individuals and organizations was supposed to have been passed at the same time, but because of certain legal complications it did not happen and it was returned to parliament for debate. The city has an agreement with the Jewish community about the abandoned homes; the Jewish community will manage them itself and move people into them as it sees fit. There were some problems when refugees returned to their apartments, and those who were there before them took something away. That also happens to Gentiles, however. My property, for example, was completely destroyed. I was left without an apartment, a car, and everything that was in the apartment, which was burnt. I am living in an acquaintance's apartment. Those Sarajevo residents who have remained in the city are often angry at their fellow residents, primarily Bosnian Muslims, who fled from the city during the most difficult times, and are now primarily interested in the status of their property. Between 10,000 and 12,000 people have been killed in the city, and 60,000 have been wounded, 18,000 of them with permanent consequences. Many of them have been left without arms, legs, and so forth. During the most difficult times, they protected the property of their friends and acquaintances against thieves, even at the cost of their own lives, and now those who were not in the city are asking whether everything has been left as it was. Most of those who left during the first days of the war in March and April were Bosnian Muslims. Many arranged their escape with the aid of what was then the JNA [Yugoslav People's Army], General Kukanjac, and I don't know who else. Now they are precisely the ones who are speaking out and asking where their property is.

Before moving into my acquaintance's apartment, I requested an inventory of the contents, primarily those that were there before but were taken away by my acquaintance's relatives, such as, for example, the television, the telephone, and so forth, so that they would not be charged to me later on. That is how we also deal with refugees moving into empty apartments. One should also know that people are in great difficulty, and if someone sells an acquaintance's or relative's piano, for which you get 500 marks in the city today, and can live for three months on that money, then he probably should not be blamed too much for it. It will probably be possible to return it later, when the situation has calmed down.

[Box, p 17]

The City's Military and Strategic Situation

The chetniks are occupying 10 percent of the urban part of the city, which before the war comprised 10 municipalities and covered 2,065 square kilometers. The Yugoslav Army, which later turned into Karadzic's, managed to occupy all the surrounding positions, all the accesses to the city, and all the sources of water, the transformer stations, and the main gas pipelines. They attacked the city on all sides from April 1992 to February 1994, when the West finally threatened air strikes and specified a 20-kilometer circle around the city in which there were not supposed to be any heavy weapons.

The situation has improved, since the residents have started to believe in peace again, and supplies have also improved considerably since the opening of the road in July 1994. Prices in the market have noticeably declined. The UN has also adopted a resolution that should facilitate collecting money to rebuild the city. After the latest Serbian attacks against UNPROFOR trucks and the renewed tension with the Serbs, the road into the city has been closed again. The Serbs have also closed all the water, electricity, and gas mains. The situation is critical.

'Big Progress Made' in Talks With Serbs

LD1611171294 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 16 Nov 94

[FBIS Translated Text] Here is our reporter Zlatko Kuretic from Hrvoje Sarinic's news conference.

[Kuretic] Hrvoje Sarinic, head of the office of the president of the Republic of Croatia, president of the State Commission for Relations with the UN Protection Forces [UNPROFOR], and head of the State Delegation for Negotiations with the Serbs from the Occupied Croatian Areas, has convened a news conference, which is still going on. At the start of the briefing, journalists were given a letter signed by the co-chairmen of the peace conference on Yugoslavia, Stoltenberg and Owen, U.S. Ambassador Peter Galbraith, and Russian Federation Ambassador Kerestedzhiyants. The letter is very interesting and deserves to be read out:

Respected Mr. Sarinic, as you know, we are working together on the basis of the Vance plan and all relevant UN Security Council resolutions in order to bring peace and welfare to your people. Following the cease-fire agreement reached on 29 March 1994, we are now proposing another agreement which involves water, electricity, the motorway, and the pipeline. We are also preparing further talks on the return of the refugees, on pensions, and on the opening of two railriad lines and another important road. If this economic agreement is signed, and we are truly hoping that it will be signed over the next few days, we intend to launch the process of consultations on the main political issues in the framework of the Vance plan and all relevant Security Council resolutions.

We will enclose a copy of the agreement which we have also officially sent to the head of the other delegation, Mr. Borislav Mikelic.

The signatories to this letter are the co-chairmen of the peace conference on Yugoslavia, Stoltenberg and Owen, and ambassadors Galbraith and Kerestedzhiyants.

It should be noted that at the beginning of today's news conference Mr. Hrvoje Sarinic said that he had received this letter rather late in the day and that it was primarily owing to the letter that he hoped it would be possible to sign the agreement we are talking about here, the agreement prepared by the signatories who have also managed (?in a certain way) to persuade the Serbs from the UN-protected areas [sentence as heard].

As far as the elements of the agreement—water, roads, electricity and the pipeline—are concerned, big progress has been made. Many things have been specified. It has been specified that the agreement involves the Zagreb-Split road via Knin, the Zagreb- Okucani motorway, and the railroad to Split. Many power lines will be restored as well as the power generator in Obrovac.

This agreement should be signed soon, by 21 November, that is, in line with the deadlines advocated by the Croatian leadership, Hrvoje Sarinic said during the news conference.

Krajina Leader Calls Economic Talks Useful

LD1611175794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1615 GMT 16 Nov 94

[FBIS Translated Text] Knin, 16 Nov (TANJUG)—Borislav Mikelic, prime minister of the republic of Serb Krajina [RSK], told TANJUG today that yesterday's talks on economic relations with the Croatian delegation were useful and in the interest of the people of Krajina.

"We rejected all ultimatums concerning deadlines for the signing of agreements, on which the other side insisted because of its own internal policy needs," the head of the Krajina delegation at the talks in Zagreb said.

"This stance of ours was supported by the mediators in the negotiations, who said, in response to my explicit question: 'The agreement will be signed when the conditions are created for both sides to accept it.'"

International mediators and the UN Protection Forces [UNPROFOR] will search for these conditions and solutions in future contacts with both sides, but with no political connotations and without prejudicing the final solution to the Krajina-Croatia conflict, Mikelic said.

Judging by all appearances, the Krajina-Croatia dialogue on economic cooperation continues, Mikelic said and added: "We have only purely economic interests, even when talking about the water and electricity supplies, the pipeline and the motorway."

Stressing that a solution is within reach and that a kind of accord is being sought now, Mikelic added that the RSK assembly and government have to approve what hasbeen agreed.

"We will only sign a document based on the Zagreb agreement and the Vance plan, because all UN Security Council resolutions are unacceptable to us," he said.

The Krajina prime minister said that this time the Croatian delegation, headed by Hrvoje Sarinic, tried to include in the preamble all the UN Security Council resolutions that had placed the RSK in an unfavorable position.

Mikelic expressed the hope that an agreement could be reached if the other side demonstrated a genuine desire to resolve economic issues, adding that that RSK "would also profit from the pipeline, power network, water, and the superhighway."

In such a situation there is no need for political resolutions or anything else that would push the RSK into reintegration with Croatia, which is out of the question, he underlined.

At UNPROFOR's base at Zagreb's Pleso Airport yesterday, Mikelic received UN special envoy Yasushi Akashi and the U.S. and Russian ambassadors to Croatia, Peter Galbraith and Leonid Kerestedzhiyants, at their own request.

The talks with Akashi, which Mikelic described as very successful, removed all misunderstandings concerning UNPROFOR convoys passing through the RSK, as well as dispelling any doubts surrounding the involvement of the Serb army of Krajina in the fighting around Bihac.

They also discussed the problem of the refugees from western Bosnia accommodated in Kordun.

"We mutually assessed that the situation is in stark contrast to what the Croatian and Bosnia-Herzegovina (Muslim authorities in Sarajevo) sides are trying to spoonfeed to the public," the Krajina prime minister said.

Mikelic said that he also discussed these subjects with Galbraith and Kerestedzhiyants.

Suggests Serbian Merger

AU1611192894 Belgrade POLITIKA in Serbo-Croatian 11 November 94 p 7

[Report by M. Cetnik: "It Is Our Aim To Merge, Only the Manner Is Controversial"]

[FBIS Translated Text] Knin, 10 Nov—Today's session of the republic of Serbian Krajina [RSK] Assembly started with a speech by Prime Minister Borislav Mikelic on the work of his cabinet in the last six-month period.

Drawing conclusions about the history of the RSK, Mikelic said that Krajina Serbs could neither be occupiers of their own houses, nor could they be blamed for the dissolution of the former Yugoslavia since it was the Serbs who decisively defended it. The strategic aim of the RSK government and its policy is, in Mikelic's view, to merge all Serbian states into one. He added, however, that there were problems regarding how to achieve that aim.

Speaking about relations with Croatia, Mikelic commented on the importance and results of the Zagreb peace treaty.

"Despite certain unfavorable aspects of the Zagreb peace treaty, such as problematic demarcation lines in western Slavonia, Caprag, and Ravni Kotari, this treaty meets Krajina interests. Having signed the Zagreb peace treaty, Croatia recognized Krajina as a party to the conflict, which made us an international subject according to the international precedents. The mass dying has stopped, and the conditions for the development of the economy have been created," Mikelic said.

In the second, economic, stage of the negotiating process with Croatia, Krajina and Croatia are, in Mikelic's view, likely to succeed in solving mutual problems, such as water supply. The reopening of the highway between Zagreb and Belgrade is, however, a far more difficult issue according to Mikelic.

"We think that the traffic on the highway between Belgrade and Zagreb can be organized in convoys under UN Protection Force control. Other solutions would harm Krajina because of Paragraph 12 of UN Security Council Resolution 820, according to which sanctions against the UN Protection Areas should be introduced. We shall consult our population on all delicate negotiating issues with Croatia. We have to act wisely and responsibly in negotiations. You have to know that direct participation in negotiations with Croatia is now the most difficult and the most distasteful job," Mikelic pointed out.

Mikelic said that both Serbia and Yugoslavia had to be given credit for the creation and survival of the RSK, adding that the RSK was bearing the consequences of the sanctions imposed by Yugoslavia against the Serbian republic, especially in the economy.

"The RSK Government has not contributed to the suspension of the economic relations between the Federal Republic of Yugoslavia [FRY] and the Srpska republic. On the contrary, we are trying to make the difficult position of the Srpska republic easier. We have 10 times more intense economic relations with the FRY, however, and the suspension of the relations between Krajina and the FRY would be a catastrophe for us," Mikelic said.

After Mikelic's speech, Milan Babic, the minister of foreign affairs and the chairman of the strongest parliamentary party—the SDS [Serbian Democratic Party]—read to other members of the parliament his party plan for a merger with other Serbian states. The plan had previously been adopted by the government, and it was entered into the parliamentary procedure as a government document.

According to the RSK-SDS plan, there are three possibilities for a merger. The first is that the RSK and the Srpska republic enter the Yugoslav federation as separate federal units. According to the second version, the RSK and the Srpska republic would merge into a federation that would, at first, be in a confederation with the FRY. According to the third model (which was called "the emergency model"), the two western Serbian republics would create a joint unitary state.

Martic Letter Denies Involvement in West Bosnia

LD1611172994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1652 GMT 16 Nov 94

[FBIS Translated Text] Knin, 16 Nov (TANJUG)—Milan Martic, president of the republic of Serb Krajina [RSK], sent a letter today to Yasushi Akashi, the UN secretary general's special envoy. In it he stresses that the authorities of the RSK stick to their commitment—"absolute non-interference in the Muslim clash in western Bosnia."

Replying to Akashi's letter of yesterday, which demands "that an immediate end be put to all the hostile activities launched from the UN-protected territory which are aimed at Bosnia-Herzegovina," Martic points out that the claims about the RSK's alleged involvement in the clashes in western Bosnia have been denied by UN Protection Force Commander Bertrand de Lapresle.

In his letter the RSK president draws Akashi's attention to the concentration of forces of the Republic of Croatia along its border with the RSK, noting that new threats of war from Tudjman's office directly jeopardize peace in this region.

"Since the RSK is firmly committed to resolving all disputes with the Republic of Croatia by way of negotiation alone, please do everything within your mandate to prevent the armed conflicts and war from escalating with unforeseeable consequences to both sides," the letter emphasizes.

Granic Views RSK Involvement in Bosnia War

AU1611204494 Rijeka NOVI LIST in Serbo-Croatian 14 Nov 94 pp 2,3

["Exclusive" interview with Mate Granic, Deputy prime minister and foreign minister, by Edita Vlahovic; place and date not given: "We Will Protect Our National Interests"]

[FBIS Translated Text] [Vlahovic] You said that your meeting with Jovanovic was not successful. Why? What did Belgrade offer that Zagreb cannot accept?

[Granic] We agreed to meet with Minister Jovanovic in the framework of global peace efforts—acting on a suggestion of the cochairmen of the Geneva Conference, Lord Owen and Mr. Stoltenberg—just as we negotiate with the local Serbs in the spirit of Security Council resolutions. Before the meeting, we clearly defined our views: The only kind of solution we will accept will have to include the Serbs' recognition of the Republic of Croatia within its internationally recognized borders, i.e. that is the only acceptable agreement. Without such a solution, there cannot be a further normalization of relations. Furthermore, I presented our proposals on all basic problems: the question of borders, recognition, succession, war crimes, and, of course, the normalization of all other relations. Belgrade proposed that we proceed "step by step," i.e. that we discuss telecommunications, global communications, culture, sports, science, and the oil pipeline. We will not accept the "step-by-step" approach. Our two approaches are obviously worlds apart. The "step-by-step" approach is acceptable only in the framework of a global package, only if recognition comes first. The territorial integrity and sovereignty of Croatia is indisputable; we are an internationally recognized country, and all Security Council resolutions, and the latest decisions of the international community in particular, urge Belgrade to recognize Croatia within its internationally recognized borders.

[Vlahovic] What exactly was the disagreement about? Jovanovic stated in Belgrade that Yugoslavia was not prepared to recognize Croatia until it is recognized by all of its citizens and, according to our most recent information, Milosevic said that the recognition of Croatia was conditional upon granting special status to eastern Slavonia and Baranja.

[Granic] We did not talk about granting special status to eastern Slavonia and Baranja. Jovanovic was not willing to discuss borders and the recognition of Croatia within its internationally recognized borders. The statements by Milosevic, i.e. of Minister Jovanovic, that they can only recognize Croatia on part of its territory that is controlled by the Republic of Croatia and that they would commit themselves on the status of UNPA [UN Protected Area] zones only after negotiations with the local Serbs have been completed are absolutely unacceptable, as they show that Belgrade has no respect for the territorial integrity of Croatia. Croatia agreed to negotiate, as those talks come in the framework of Security Council resolutions, but President Tudjman and I said that—considering the well-known views of the Knin Serbs, who are willing to discuss economic, but not political problems—we would set a deadline on the duration of the negotiations.

Croatia Has Exhausted All Negotiation Options

[Vlahovic] Croatia has set a deadline of 21 November this year for the Serbs to sign an agreement with the Republic of Croatia on the opening of the Zagreb-Lipovac highway, solving the problem of water supply, opening the railway lines and oil pipeline, and establishing a deadline for the return of refugees. Is that a final deadline?

[Granic] Croatia did set a deadline on reaching the agreement, but it also gave one month for its implementation. This is a very serious deadline. Moreover, it is related to a decision of the Croatian parliament to cancel the UNPROFOR [UN Protecting Force] mandate unless there is significant progress in negotiations. As you can see, there is a correlation between the two decisions. President Tudjman, exactly because of the final decision regarding the UNPROFOR mandate, said that he would no longer negotiate with the local Serbs, thus sending a clear warning to the international community and a message that Croatia has exhausted all options, as it has negotiated for two years. This is a very serious decision. What can change this decision? Naturally, only their decision to agree to reintegration.

[Vlahovic] Do you think that such an agreement could really be reached this month?

[Granic] We do not delude ourselves regarding the negotiations with the local Serbs and Belgrade. However, the international public is putting more and more pressure on Belgrade, while on the other hand, the situation in the UNPA zones is getting worse day by day. Croatia agreed to negotiate in support of the peace efforts by the international community, as well as its own, but we harbor no illusions. Due to European integration processes and since Croatia is to become a member of the

Council of Europe—we will probably have 3-percent inflation this year, we have our stabilization program—Croatia wants to reintegrate its areas in the most painless possible way—in cooperation with the international community, of course.

[Vlahovic] What will Croatia do if the rebel Serbs do not sign the agreement within the set deadline?

[Granic] President Tudjman said we would no longer negotiate with them in that case. We would demand that the international community take control of Croatia's borders, or else Croatia would rescind the UNPROFOR mandate.

We Will Not Accept a State Within a State

[Vlahovic] The public has been getting conflicting information about the contact group plan. Do you know what the plan is about?

[Granic] I am familiar with some of the draft documents, for the plan has not been drawn up fully yet. We have explained to the Zagreb group, and especially to important countries that are both our partners and allies, that Croatia welcomes efforts in formulating a plan for a peaceful reintegration, but that such a plan would have to comply with the Constitution of the Republic of Croatia, the spirit of our Constitutional Law, President Tudjman's peace initiative, European standards, and, naturally, with all decisions of the Badinter commission. Croatia will accept no state- within-a-state concept, nor any other solution that could eventually lead to secession.

[Vlahovic] Until now, the rebel Serbs talked have about a state within a state, their own currency, police, flag, and dual citizenship. Can you tell us what exactly Croatia is prepared to offer the rebel Serbs?

[Granic] We cannot accept dual citizenship, their own monetary system, nor any political ties with Belgrade or with the Bosnian Serbs. As far as the police are concerned, there can only be one police force, composed in proportion to national representation. Of course, such local autonomy does not entail their own army, for only the Croatian authorities can control the borders and customs. Naturally, at the beginning, UNPROFOR will help us exercise that control. A transition period is planned for eastern Slavonia and Baranja until all refugees return to their homes and until all conditions for holding an election have been fulfilled. After that, there will be the reintegration into the constitutional and legal system of Croatia.

No Plan Presented to Croatia

[Vlahovic] Let us set aside the problem of eastern Slavonia, for the Serbs obviously make a difference between the districts of Knin and Glina and eastern Slavonia. However, are there plans for the occupied areas to get their own parliament?

[Granic] Our proposal is within the framework of the Constitutional Law, which grants a high-degree of local self-government and autonomy, also in the fields of education, television, and radio. Croatia is prepared to revitalize their pension-fund, health, and social-welfare system. Key details of the plan, however, must not and do not jeopardize the territorial integrity of Croatia. However, Croatian integrity and sovereignty are also indisputable, and proposals for dual citizenship and their own monetary system are dubious and unacceptable to us.

[Vlahovic] On 10 November, Vladimir Seks met with the British ambassador and stated that Croatia was dissatisfied with the draft version of the plan of the Z-4 [Zagreb Four] group. What is it that Croatia did not like about the plan? You have talked about your views on the solution before, but what exactly does that draft version say?

[Granic] The final plan has not been formulated yet, and it will probably never be formulated if Croatia is not satisfied with it. Croatia was presented one of the draft versions, not the final version. Therefore, Croatia reacted to something that has not yet been completed. In order to present a final proposal to Croatia, the members of the Zagreb Group, the Contact Group, the European Union, the United States, and Russia must reach a consensus. And we have not come that far yet. Consequently, no plan was presented to Croatia. Croatia was given certain draft materials and came up with some objections.

[Vlahovic] Let me return to Seks's statements. At the recent forum of the Croatian Democratic Community in Varazdin, he said that the draft version plans either the confederalization or federalization of Croatia.

[Granic] You see, Croatia interpreted the possibility of dual citizenship, their own monetary system, and particularly the communications system as federalization. That is why this draft version of the plan is unacceptable to us.

Croatia Does Not Intend To Change Its Currency

[Vlahovic] The U.S. ambassador stated recently that Croatia should consider renaming its currency, as the Serbs find the present name unacceptable. What do you think about that suggestion?

[Granic] The kuna was introduced by the Croatian Parliament, and it is the only means of payment. Furthermore, it is a stable currency. Croatia does not intend to change its currency.

[Vlahovic] Let me return to the problem of eastern Slavonia. The latest information suggests that Russia is also demanding a special status for the eastern UNPA sector. Consequently, Russia proposes the creation of autonomous areas in eastern Slavonia and Baranja, not only in the districts of Knin and Glina.

[Granic] That was not the view of the Contact Group. Those are some Russian views, just as Lord Owen had his own ideas, but not regarding the Contact Group proposal. Such ideas were not accepted. As you see, all this proves that they are still working on the Contact Group plan.

[Vlahovic] Some high Croatian military and state officials stated recently that we are running out of patience with the negotiations and that "it is a matter of days until the final stage of the talks will come to an end." Those statements can be interpreted as an acceptance of the war option. Does that option comply with the decisions of the international community, and does the solution of the problem lie in a military operation?

[Granic] As you see, Croatia is patient and is doing everything to find a peaceful solution. However, we said that no one can deny Croatia's legitimate right to use all legal means to reintegrate the UNPA zones into its system if such a peaceful solution is not found. I repeat, we are doing our best to find such a solution and to do so with the help of the international community.

However, 2,500 members of the Serb special police are participating in the fighting around Bihac, the county of Slavonski Brod and Posavina is shelled daily, Dubrovnik has also come under mortar fire this summer. Furthermore, rumor has it that the rebel Serbs plan a political union with the Bosnian Serbs and Serbia. That is part of the strategy that imposes a military solution, and it is not initiated by the Republic of Croatia.

Positive Effect of the Operation at Kupres

[Vlahovic] Would you comment on the change in the military situation in Bosnia-Herzegovina?

[Granic] Those changes are in the spirit of the Washington Agreement, and they are a result of the Bosnian Serbs' refusal to accept the Contact Group peace plan. On one hand, the changed military situation is sure to undermine the position of Karadzic, and, on the other, it increases the support for the forming of the federation. The operation at Kupres has had a positive influence on the constituent assembly of the Federation. Of course, some joint actions can also influence the Republic of Croatia, and the Bosnian Serbs could commit an aggression against Croatia as well.

[Vlahovic] Mr. Akashi said that the United Nations is prepared to call for NATO air-strikes, even against the Bosnia-Herzegovina Government forces. Is it likely that the international community will react in such a way?

[Granic] It is not very likely. At any rate, the United States would not accept that.

[Vlahovic] According to some sources, Croatia will demand that Lord Owen be dismissed from his position as cochairman of the peace conference due to his anti-Croatian orientation. Can you confirm that?

[Granic] We do not agree with many of Lord Owen's views, especially those regarding demands for changing the borders, but, at this point, Croatia will not hinder the overall peace process.

[Vlahovic] Who exerts more influence on the negotiations and on finding solutions at present—the Contact Group or the peace conference? The rift among the international community is becoming more and more obvious.

[Granic] The Contact Group is more influential at present. It has reached a consensus regarding the peace plan and regarding the isolation of the Bosnian Serbs. Continued military operations are bound to lead to opposing views within the Contact Group, especially regarding the United States and Russia.

[Vlahovic] Will the plan of the Z-4 group be presented to the Croatian parliament before it is accepted?

[Granic] If the Contact Group plan is acceptable to the Republic of Croatia, the Government of the Republic of Croatia will accept it and refer it to parliament for adoption. I would like to emphasize that Croatia is participating actively in the peace process and that the solution for the war in Bosnia-Herzegovina is no longer a primary problem, but that the problem of reintegrating the UNPA zones in the legal system of the Republic of Croatia is being solved simultaneously with the problem of Bosnia-Herzegovina. We support the fact that the lifting of sanctions against Belgrade is conditional on the recognition of Croatia as well as the efforts of the international community to solve the problem of the reintegration of occupied areas in the framework of the territorial integrity and sovereignty of Croatia.

[Box, p 2]

Milosevic Forced to Recognize Croatia

[Vlahovic] What outcome do you predict, especially if the Bosnian Serbs continue to reject the peace plan?

[Granic] If the Bosnian Serbs continue to reject the peace plan, the war in Bosnia-Herzegovina is bound to go on.

[Vlahovic] Would a peaceful reintegration of the occupied areas into the system of the Republic of Croatia be possible in that case?

[Granic] It will be more difficult to do that.

[Vlahovic] It has been made clear that the sanctions against Belgrade are also conditional upon Serbia recognizing Croatia and not only on the situation in Bosnia-Herzegovina, as it seemed earlier. Does that mean that successful negotiations between Zagreb and Belgrade would help lift the sanctions imposed on Serbia regardless of the outcome in Bosnia-Herzegovina?

[Granic] The so-called "Plan A" of the Contact Group proposes the lifting of the sanctions in the case of the full implementation—not only of the acceptance—of the

Contact Group plan for Bosnia-Herzegovina and the "Plan B" if Milosevic recognizes Croatia within its internationally recognized borders. It is clear that the international community plan for a peaceful reintegration of the occupied areas could contribute to that. There is a lot of pressure on Milosevic to recognize Croatia within its internationally recognized borders.

[Vlahovic] It is not clear whether there is a correlation between the two plans, so that Milosevic must meet both of them, or whether they are alternatives.

[Granic] They are alternatives: either "A" or "B."

[Vlahovic] Consequently, Milosevic could recognize Croatia and the solution for Bosnia-Herzegovina could be viewed separately from this problem?

[Granic] Sanctions will not be lifted fully before the problem of the occupied areas in the Republic of Croatia is solved. Milosevic was promised the so-called step-by-step lifting of the sanctions, but they will not be lifted altogether, nor will Yugoslavia receive international recognition, before Yugoslavia recognizes Croatia.

[Vlahovic] Is Milosevic now prepared to force Knin to reach an agreement with Zagreb?

[Granic] Probably not as yet, because his moves depend on Milosevic's position in Yugoslavia, and statements by Mihajlo Markovic, Babic, and others indicate that the idea of a greater Serbia is still very much alive. Our basic goal is to prevent the creation of a greater Serbia, especially on the territory of the Republic of Croatia.

[Vlahovic] Will there be more meetings between yourself and Jovanovic?

[Granic] We have not set any dates yet.

[Box, p 3]

Military Cooperation With Bosnia-Herzegovina Defined by Washington Agreement

[Vlahovic] Will Croatia accept Izetbegovic's proposal for military cooperation?

[Granic] The cooperation—especially for borderline areas—is defined by the Washington Agreement, the Agreement on Friendship and Cooperation of 1992, and by the agreement between President Tudjman and President Izetbegovic signed on 13 September, 1992.

[Vlahovic] Can you tell us some details of those agreements?

[Granic] No.

[Box, p 3]

UNPROFOR Responsible For Aggression of Knin Serbs Against Bosnia-Herzegovina

[Vlahovic] You said that 2,500 Knin Serbs are participating in the fighting in Bosnia-Herzegovina. Will Croatian diplomacy and the army be satisfied with a mere observation of the fact, or will they take some steps?

[Granic] In keeping with international law, Croatia is responsible for an act of aggression against Bosnia-Herzegovina if the aggression takes place on the territory controlled by Croatian authorities. Since that area is controlled by UNPROFOR, the aggression is the sole responsibility of UNPROFOR. Consequently, UNPROFOR can do the most to prevent an aggression of the Knin Serbs against Bosnia-Herzegovina. I wrote to the president of the Security Council to that effect, and Ambassador Nobilo sent her a similar letter. We have daily communications with Mr. Akashi and General Peters, and we demand the most energetic action, including the protection of the Croatian borders from the aggression of the Knin Serbs against Bosnia-Herzegovina. Of course, our actions will depend on further developments.

In the past 48 hours, the situation has been exacerbated. The joint aggressive military operations of the Bosnian and the Knin Serbs are aimed at conquering Bihac, at destroying the 5th Corps of the Bosnia-Herzegovina Army and units of the Croatian Defense Council, and at the ethnic cleansing of western Bosnia, i.e. at forcing 150,000 to 200,000 Bosniaks and Croats to flee to Croatia. President of the Bosnia-Herzegovina Presidency Alija Izetbegovic and President of the Bosnia-Herzegovina Federation Kresimir Zubak asked for the assistance of the Republic of Croatia. There have been two sessions of the Council for National Security, and I sent a letter to the president of the Security Council and to U.S. Ambassador Madeleine Albright requesting an urgent session of the Security Council. Bosnia-Herzegovina did the same. The Republic of Croatia requested urgent action by the Security Council, i.e. we demanded that UNPROFOR and NATO forces protect Bihac and the Croatian border. If the international community does not do that, it is our legitimate right to protect our basic national interests in keeping with international law and the UN Charter.

Stresses Right To Intervene

BR1611141794 Rome L'UNITA in Italian 16 Nov 94 p 16

[Interview with Foreign Minister Mate Granic by Fabio Luppino in Rome on 15 November: "Croatia Could Return to the Front"]

[FBIS Translated Text] Rome— *As he spoke, the Croatian foreign minister never looked away from the maps showing the historical and geographical tragedies that gave rise to the war in the former Yugoslavia. The latest is that of Bihac, in Bosnia. The Croatian border is a few kilometers away. From Croatia Serbian aircraft take off to bombard Bihac. Minister Mate Granic considers this a violation of his country's sovereignty. He said: "We will not relinquish our right to intervene."*

[Luppino] Minister, the Muslim city of Bihac is about to fall into Serbian hands. Croatia has announced that it will intervene if this happens. Why?

[Granic] Bihac really is in danger. The Serbs' main aim is to take the city; to destroy the Bosnian Fifth Army, which is under attack from no less than five directions; and to bring to power the Muslim Fikret Abdic, who, together with the Serbs of Krajina, is supporting the Serbian offensive, to show that an inter-Muslim conflict is under way. This would mean the escape or expulsion to Croatia of a large number of Muslims belonging to both sides. There would be at least 150,000 refugees. We have been urged, both by the Sarajevo government and by the Muslim Croatian federation, to intervene to halt the attacks from Croatian territory. This is why we approached the Security Council. Croatia will decide on the basis of what the international community does. We have been asked several times not to undertake any military action.

[Luppino] On what conditions would Croatia intervene?

[Granic] Croatia will not relinquish its rights to intervene: I stress that. We will do our utmost to ensure that this does not happen. We have already discussed this with the Security Council, and I have done so with [Italian] Foreign Minister Antonio Martino. Italy will be notified of any initiatives on our part.

[Luppino] What do you fear most—the possibility of the Serbs of Bihac uniting with the secessionists of Krajina; the possibility of the Muslim Croatian federation not surviving; or the arrival of refugees in your country?

[Granic] All three. Today (yesterday) there will be a meeting between our government and the Serbs of Knin. There are five issues on the agenda, economic and political, that are part of a plan for integration and broad self-determination of these territories in Croatia. We will broach the issue of their intervention in Bosnia. Unless progress is made in the negotiations, there is little likelihood of the talks continuing. Every day they give to understand that their chief aim is to unite with the Bosnian Serbs and in the final analysis to work to create the "Greater Serbia." Croatia has displayed the utmost patience for no less than two years.

[Luppino] What reasons prompted the Croatian Muslims to unleash a sharp offensive in Bosnia in recent weeks?

[Granic] The Bosnian Serbs' refusal to accept the partitioning plan. There has obviously been a strengthening of the Bosnian and Croatian Armies in recent months. The Kupres action was carefully planned down to the last detail.

[Luppino] What can [Serbian President] Slobodan Milosevic do at this stage of the conflict?

[Granic] Milosevic bears a large responsibility in this war for both Croatia and Bosnia. His decision to approve the contact group's plan is a very important tactical factor, however, and was certainly prompted by Serbia's domestic situation and international isolation. We welcome this willingness, but it is not enough. Without a recognition of Croatia and its borders, there will be no solution. The problems with our country and Bosnia must be resolved in parallel. The 135 international observers cannot monitor Serbia's border with Bosnia controlled by [Srpska republic leader] Karadzic, because that sector is 700 km long. There are plenty of eyewitness reports, some from the past few days, that the Serbian Republic is bringing weapons and volunteers through the Brcko corridor. We agree to negotiate with Belgrade at the suggestion of Owen and Stoltenberg, but it was apparent from the outset that our respective starting points are very remote. Belgrade wants to do small, marginal things—to activate cultural and sporting relations. We consider this unacceptable, in view of the fact that 25 percent of our territory is held by Serbian rebels. And obviously Milosevic has supported this rebellion. We want the immediate recognition of Croatia within the internationally recognized borders. This would be the only real sign to the Serbs of Knin that they must resolve their problems within Croatia.

[Luppino] So do you confirm what the Sarajevo government said, namely, that 7,000 of Milosevic's troops have crossed the border with Bosnia and are approaching Bihac?

[Granic] We have very similar information.

[Luppino] Do you still think that future peace in Bosnia can be ensured by the creation of a state combining three ethnic entities?

[Granic] The scars of this war are deep and the stabilization period will last a very long time. The contact group's plan is not ideal, but hitherto it is the best suggestion that has been made. This is why we approved it. If the Bosnian Serbs continue to reject it, war will not cease, and neither will the suffering of the civilian population.

[Luppino] Is the alliance between Croats and Muslims likely to last, or will the enduring hatred return to the surface once the fighting is over?

[Granic] There are still problems to be resolved. Obviously there are many things to be clarified, especially in the central areas of Bosnia. The Muslim Croatian federation can exist on the basis of two fundamental principles. One is that the Croats want to live in the Bosnian federation; and the other fundamental point is that the Muslims must orient themselves toward Europe, secularize themselves and abandon their fundamentalist tendencies. A community of this kind, with absolutely equal rights for both peoples, and with strong links with Croatia, for which the preliminary confederation agreement was signed, is entirely possible. Without the Croatian presence, there could be a major radicalization of the Muslim component, and this is what we all fear, including the moderate Islamic countries. A state of this kind would certainly be under the influence of the most radical groups in the Islamic world. This is why we strongly and unconditionally support the Muslim Croatian federation.

Krajina Serbs 'Foil' Muslim Incursion Attempt

LD1611132894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1256 GMT 16 Nov 94

[FBIS Translated Text] Knin, 16 Nov (TANJUG)—Units of the Serbian army of Krajina [SVK] last night foiled an attempted incursion into the republic of Serb Krajina [RSK] by parts of the routed units of the 5th Muslim Corps, the information department of the SVK general staff announced today.

It is said that the Muslim forces were moving in the direction of Licko Petrovo Selo in an attempt to avoid attacks by units of the People's Defense, loyal to Fikret Abdic, leader of the autonomous province of western Bosnia [APZB], on the one hand, and on the other hand by the 2d Krajina Corps of the Srpska republic army.

The SVK successfully repulsed the attack, routing the enemy forces, the announcement says.

According to the same source, the command of the ABZB People's Defense is situated "somewhere in the area of Velika Kladusa," and is in charge of large-scale movements by well-organized and armed refugees designed to liberate the APZB.

In the Krajina Army Command's view, the APZB units have no need to violate the territorial integrity of the RSK, except when as a result of their operations, members of the Fifth Corps are forced to retreat in the direction of RSK territory.

Serbs Launch Long-Range Artillery Attacks

LD1611234694 Zagreb Radio Croatia Network in Serbo-Croatian 2300 GMT 16 Nov 94

[FBIS Translated Text] Unfortunately, we have to begin this news bulletin with reports of fresh Serb attacks with long-range artillery on towns in Croatia. Half an hour ago a general alert was sounded in Slavonski Samac; at approximately around 2035 GMT six Serb projectiles hit Zupanja. Great damage was caused; fortunately there were no casualties. No one was hurt either when three shells were fired on Gunja village in Croatia east of Brcko at approximately 1700 GMT.

Businessmen Demand Greater State Assistance

AU1611132494 Skopje NOVA MAKEDONIJA in Macedonian 14 Nov 94 pp 1, 3

[Report by S. Kiridjievska and S. Vukcevic: "State Assistance to Businessmen"]

[FBIS Translated Text] The recent visit of our country's business delegation to the Russian Federation was not only important for opening new markets, but it also represented the beginning of a new strategy in our economic relations with foreign countries. This was the essence of the session of the Executive Board of the Chamber of Commerce of Macedonia [The Former Yugoslav Republic of Macedonia] at which the businessmen stated that different actions should be taken when such subtle relations between our and other countries are in question. They said that this question must be included in the documents of the macroeconomic policy for 1995, which is expected to provide more favorable conditions for economic development. The businessmen do not wish to be left alone in their efforts to present Macedonia in its best light and they are prepared to invest more for propaganda purposes. The development of a strategy for new markets is a long-term and complex process that cannot stand false calculations and improvisations, and the fruits of the previous activities in this sphere will be minimal for a long time. There has never been another session of the Chamber of Commerce that has been attended by such a great number of ministers. On the other hand, we cannot remember a session that has had this agenda that has not been attended by those who are the most competent to give opinions (Foreign Ministry). It was assessed that either this problem, or the body that was discussing it, was put in the margins.

Situations

The losses in the markets of former Yugoslavia, the application of the UN sanctions against the Federal Republic of Yugoslavia, and the latest Greek blockade have caused severe disturbances in reprocessing and in the macroeconomic plan. Materially speaking, these losses are not just $3 billion of direct damages, but a total of 50 percent of lost social product over three years. Even much wealthier countries would take this as a cold shower, but according to some experts, the vital Macedonian economy has managed to survive the most difficult years. As an indicator, in the last six months exports dropped by about 4 percent, and the greatest decrease happened in the most important areas. At the same time imports increased by 25 percent, of which imports of consumer goods increased by over 90 percent. The large trade deficit of $165 million, compared to last year, has risen by 1,220 percent.

The state reserves have increased by 36.7 percent, or $155.7 million. This was done with the purchase of extra currency on the currency and exchange market and withdrawal of the money from the loan taken from the World Bank for economic revival. The businessmen are mostly concerned with the fact that imports of raw materials were overtaken by consumer goods imports; thus the consumption of cheap goods has intensified. The traditional markets have been lost due to the blockades and high transport costs, but new ones have been opened. This showed that we were oriented to the neighboring countries. The fact that we are close in proximity to each other does not mean that all the problems in trade have been solved. It became particularly clear in our trade with Turkey, Bulgaria, and Slovenia, because they had a protectionist attitude toward their products. Macedonian exporters are faced daily with barriers and contingencies. The liberalization that is constantly declared by the countries of the European Union is nothing but a pure declaration.

Mistakes

The businessmen have found numerous mistakes in our country's export-import strategy to date. They are criticizing the absence of an objective view on the current trends in foreign trade. With visible disgust, Chamber of Commerce President Dusan Petreski remarked that our trade is conducted without planning. He illustrated this by showing how we waited for the Slovenian delegation to give us data about our country's trade. In addition, we do not know who is involved in the trade because we still do not have a register of mixed companies. This indicates that it is vital to form an information center. Savka Dimitrova complained about a totally open market in these economic conditions. As a result, this year we had doubled imports of consumer goods, mainly foodstuffs, of dubious quality and detrimental to domestic production. All the businessmen agree that we desperately need a representative network in the world, particularly because after the collapse of Yugoslavia we have to be more visible abroad. As Trajce Mukaetov said, it is a long-lasting process that needs a serious approach, with world prices, and not just normal exports. In giving a short review about the recent visit of the delegation of the Russian Federation, he remarked that the Russian market was not only interesting for normal exports, but also for the sale of technological know-how, because we have good professionals. Minister Petrus Stefanov said that the government had introduced additional incentives for net currency exporters that will compensate for the difference in the dinar's exchange rate, and according to Todor Barzov this was the first public proof of mistakes in the macroeconomic policy for this year. He demanded that the money be returned to the exporters in 1995, because they were thrown into misery because of the overvalued dinar. The businessmen had many negative remarks on the state strategy for foreign economic relations. They also expect their remarks to be included in the documents for the next year in order to make it easier for all and in order to advance matters on the economic plan. They think that it is necessary to construct a consistent protection policy that will correspond with the need for a faster and more efficient integral connection of our economy to the economies of the region and the European Union.

We also need a secure macroeconomic support for the economy that is oriented toward exports in order to neutralize disparities in prices, as well as a material support that will orient the credits and a part of the currency and goods reserves toward profitable exports projects. On the other hand, imports of consumer goods should be discouraged and accumulated trade capital transformed into production. In order to have a faster expansion of our products on foreign markets we must institutionalize our relations with the foreign countries (agreements on balance of payments, protection of investments, no double taxation), and that is the best way to remove protectionist barriers.

It should be once again stated that the wester and the eastern markets will not be conquered "overnight" with one appearance only and then disappear from that market without leaving a trace. A state analysis and strategy is necessary. The businessmen have the desire and the money, but they expect assistance from the state.

Commentary Views Bulgarian Aid as Propaganda

AU1711115794 Skopje NOVA MAKEDONIJA in Macedonian 16 Nov 94 p 2

[Commentary by Tomislav Ivanovski: "Humanity With a Political Background"]

[FBIS Translated Text] Radio Tirana recently broadcast a news item on "family packages worth $20,000, as assistance from the Bulgarian Red Cross to the inhabitants of Prespa, Albania." The brief news item also stated that the Bulgarian assistance is part of the humanitarian action of several European organizations of the Red Cross with the purpose of helping the people living in the poor regions of a country that still has the lowest standard of living in Europe. The assumption is that the "family packages" distributed among the population in Prespa contained mostly foodstuffs and clothes. For the time being, no further news or information has been given by Tirana's mass media on the event.

Unfortunately, our mass media is still not able to publish that the Macedonian Red Cross, for instance, or any other humanitarian organization from our country, has been involved in giving assistance to the people living in our neighborhood, sending canned food, clothing, books, or anything else. Our obligation here is much greater than it is toward anyone else, because in the Albanian part of Prespa, as well as in Mala Prespa and Velika Prespa, there are mostly Macedonians that have been registered as a Macedonian minority in world and European forums, that are living and working in very difficult conditions. For some time these people were being visited by our officials. A prime minister, for example, even promised small tractors to them in order to enable them to work on this unsuitable soil, and one of our ministers promised books to the Macedonians there so that they would retain and foster their mother tongue. However, the outcome was that, apart from the nice words and empty promises, we were unable to give the people anything. It is true that we in Macedonia were and still are receiving humanitarian assistance from abroad; but this state, if it cannot give small tractors as gifts, can produce clothes and cans, and give food assistance of which there is plenty, as well as books. It would be sufficient enough for these Macedonians living on the other shore of the lake not to feel left to the mercy of foreign propaganda. It is also true that they have been exposed to strong pressure to give up their Macedonian identity, according to what they say whenever they come into contact with our people.

Actually, the efforts of the Balkan propaganda to wipe out the Macedonians living in Albania first happened in the early seventies when Tirana officially informed the world that there was a Macedonian minority living on its territories. At the time of Henver Hoxa it was difficult to influence them from abroad, particularly about their national awareness, mostly because between Tirana on the one side, and Sofia and Athens on the other, there had not been any political or diplomatic contact for years. In this empty space, so to speak, nevertheless, and throughout this period, Greek propaganda was trying to infiltrate itself, using the church and the slogan on the protection of the Christians from Islamic and communist influence. It was very active in denying the identity of the Macedonians, particularly of those living in Mala Prespa and Velika Prespa. Our people there today say that, despite the small success, the Greek propaganda considered the Macedonians as Greeks and they count them as the Greek minority in Albania, according to what Athens claims.

The intrusion of the Bulgarian propaganda is again following the opening of Albania toward the world after the death of Enver Hoxha as well as the time of the first contacts of representatives of independent Macedonia [The Former Yugoslav Republic of Macedonia] and its compatriots in the region of Prespa and Rekan, where the Macedonians mostly practice the Muslim religion. During our first contacts, the Macedonians in Albania complained that many missionaries from Sofia, quasi-scientists and quasi-ethnologists, and particularly experts for re-education and re-baptizing, are wandering around the Prespa desert, trying to convince them that they are not Macedonians, but allegedly "pure Bulgarians." According to the same principle and recipe that has been applied for years in the Pirin Macedonia on the alleged "ignorance" of this people and their alienation from the Bulgarian spirit, they are again accusing communism, the Comintern, and the communist leaders for this. Such missionaries are often accompanied by people from the Bulgarian Embassy in Tirana, which gives all the situation a completely different meaning and dimension, because in such a way they are directly involving official Bulgarian policy in all this. The Bulgarian mass media has confirmed this because they overnight remembered "their brothers" from the Prespa regions of Albania, for whom they asked money for material assistance and for their national "awareness," that is for an urgent denationalization of the Macedonians. In this whole game, which is joined by many other players, the Bulgarian Church was soon included in sending books and priests to Albania.

Seen from this viewpoint the humanitarian actions of the Sofia Red Cross become doubtful even when some try to say it was an honest action. Simply, it is not clear why the "family packages," for instance, were not distributed in the region of Kavaja, Elbassan, Berat, or in the southern or eastern regions of Albania, where the standard of living is not higher and where life is equally difficult. Why they selected Prespa and why the Bulgarian Red Cross decided to give a Bulgarian humanitarian assistance to the Macedonians in Albania and not to the Albanians themselves is not difficult to see. The misfortune of poverty, which has once again been used for the implementation of a nationalist policy that Sofia will not easily give up.

It has to do with a continued policy that has been engaged against the national identity of the Macedonian people for decades, and for the last half century it has acted against its statehood. At one time it proclaimed Macedonia as an artificial creation, and recently it has stated that it is a "second Bulgarian" state. This policy also fiercely attacks the Macedonians wherever they are. In Bulgaria, for instance, it attempts to assimilate them. It creates great pressure against the Macedonians throughout the world, in order to make them give up their nationality, and here in Macedonia we are suffering permanent offenses that they spread throughout the world, that is that we are not what we are, in fact, it does not recognize the Macedonian language, culture, history, and literature. The Macedonians in Albania have, in a way, been forgotten and left in peace by Sofia's propagators and nationalists for a long time. It is now obvious that their time has come. In this or another way, they remain as a thorn in the eye of Sofia, because sooner or later they will have to explain to Europe and to the world, why there are no Macedonians in their "ethnically pure" state if they have existed as such in another Balkan state for so many years. That is why we should not be surprised if we hear that Bulgaria has secretly been supported in this action by some other Balkan propaganda. Now official Albania must speak. It is absolutely unbelievable that it does not know what is going on in its own territory, as well as what this is all about, and therefore it must no longer act as if it can neither hear nor see anything, unless it has started playing a different game.

Kacin Supports U.S. Arms Embargo Decision

LD1711024094 Belgrade TANJUG in English 0026 GMT 17 Nov 94

[FBIS Transcribed Text] Ljubljana, Nov 16 (TANJUG)-—Slovene Defense Minister Jelko Kacin was quoted on 16 November as saying Washington's decision not to enforce the U.N. arms ban on the Bosnian Muslims was a positive step. Slovene press quotes Kacin as saying to the national STA news agency that Slovenia supported the U.S. decision.

U.S. President Clinton's decision that the U.S. no longer enforce on the Bosnian Muslims the U.N. arms ban on the former Yugoslavia took effect at midnight on 12 November. The ban was imposed by the U.N. Security Council in September 1991 on all of the former Yugoslavia.

Slovneia has been selling arms to Croats and Muslims since the outbreak of civil war in Croatia and Bosnia-Herzegovina. Slovene President Milan Kucan confirmed this in mid-October. For more than two years Slovene territory has been on the main route for supplying military assistance and armament to the Bosnian Muslim Government. Last July, 120 tons of arms disguised as humanitarian aid for the Bosnian Muslims was discovered at Slovenia's Maribor Airport.

Federal

'Text' of Prime Minister's Letter on Sanctions

LD1611145294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1036 GMT 16 Nov 94

[FBIS Translated Text] Belgrade, 16 Nov (TANJUG)—Yugoslav Federal Prime Minister Radoje Kontic has sent a letter to the president of the UN Security Council, and U.S. Ambassador Madeleine Albright expressing the hope that the council will pass a decision lifting sanctions against the Federal Republic of Yugoslavia [FRY].

The following is the text of the letter:

Under UN Security Council Resolution No. 757, unjust measures, passed on the basis of wrong assessments, were imposed on the FRY. Subsequent UN resolutions, numbers 787 and 820, widened the sanctions further. "Failure to observe" the demands from Resolution No. 752 regarding the situation in former Bosnia-Herzegovina was given as an official reason for introducing these measures.

The Federal Government is of the view that these UN Security Council resolutions cannot serve as serious grounds for further maintaining these measures against the FRY.

In this context we wish to point out the following:

1. The FRY has always most resolutely advocated a complete cease-fire in former Bosnia-Herzegovina and favored negotiations to find a comprehensive solution to the crisis on the basis of agreements between the three constituent nations, and respect for their equal status. To this end, the FRY has played an active role in the negotiating process and supported all the existing peace plans put forward by the international community, from the plan by Ambassador Cutileiro to the contact group's plan.

The FRY has exerted a constant positive influence on the Serb side in former Bosnia-Herzegovina to ensure that they accept the solutions on offer. To this end it has severed political and economic links with the Srpska republic.

However, the FRY has not been in the position to secure an end to the civil war in former Bosnia-Herzegovina—something that the international community has not been able to achieve either—because our country is not taking part in this war, and it has no influence with two of the three sides involved.

2. All units of the Army of Yugoslavia were withdrawn from the territory of former Bosnia-Herzegovina by 21 May 1992. This was noted in the UN secretary general's report of 30 Sep 1992 and in UN Security Council Resolution No. 787. The Army of Yugoslavia was also withdrawn from the area south of Dubrovnik, allowing the Prevlaka promontory to be put under the control of UNPROFOR [UN Protection Forces] observers. Under a 4 August 1944 decision of the FRY Government, only humanitarian help is being delivered to the territory of former Bosnia-Herzegovina from the FRY.

3. The FRY strongly opposes the practice of "ethnic cleansing" in whatever form and regardless of its perpetrators. No cases of "ethnic cleansing" have been registered in the FRY, as confirmed by numerous reports by a number of foreign missions (CSCE, European Union, International Committee of the Red Cross [ICRC]). On the contrary, over 700,000 refugees and victims of "ethnic cleansing" from Croatia, former Bosnia-Herzegovina, and Slovenia, including many thousands of Muslims, Croats, and others, have found refuge in the FRY.

4. The FRY attaches special importance to the deliveries of humanitarian aid to former Bosnia-Herzegovina. Within its means the FRY has also regularly sent aid to all the needy there. It has taken an active part in all actions by UN agencies (UNPROFOR, UNHCR, ICRC, World Food Council, and others). Within its means, and regardless of their nationality, the FRY has helped and looked after refugees from the former Yugoslav republics who had to leave their war-ravaged homes.

5. Since the start of the peace operations, the Federal Government has maintained good cooperation with UNPROFOR. Our cooperation so far has been assessed in very positive terms by, above all, representatives of the UN peace forces. The FRY accepted the Vance plan. It has observed its provisions and wants it to be consistently implemented and observed by all the sides involved.

6. The FRY has actively cooperated in investigations of human rights violations in former Yugoslavia, and on its own territory in particular. As part of its jurisdiction, the Federal Ministry of Justice has the task of promoting and safeguarding the rights and freedoms of all citizens. There is a minister in the Yugoslav Federal Government with special responsibilities for human and minority rights. In line with its peace-oriented policy and efforts to overcome the crisis in former Yugoslavia as soon as possible, the FRY is always prepared to enter direct negotiations with the former republics of the Socialist Federal Republic of Yugoslavia, with the aim of resolving open issues and regulating bilateral relations. It has no territorial claims against any of the former Yugoslav republics, as stated clearly in the FRY Assembly declaration of 27 April 1992.

The activities of the FRY Government and its concrete contribution to the current negotiating process demonstrate that it has invested sincere and lasting efforts to seek peace. It is absurd and untenable to treat it as an opponent of the peace process and of a peaceful solution to the crisis in the area of the former Socialist Federal Republic of Yugoslavia. By no means can the implementation of measures envisaged by UN Charter, Chapter VII, be a reaction to the peaceful policy of the FRY. The FRY has never been, and will not be, a threat to world peace.

The measures against the FRY were taken in reaction to the civil war in former Bosnia-Herzegovina. The course of events, however, has demonstrated that these measures have only served to fuel and boost the armed conflicts in former Bosnia-Herzegovina and to encourage those forces who do not favor a peaceful solution.

The UN Security Council decision to partially suspend these measures is certainly a positive move, albeit not sufficient to achieve a peaceful solution in former Bosnia-Herzegovina. The most effective and quickest way to find a lasting political solution for former Bosnia-Herzegovina is to immediately and unconditionally lift all the measures taken against the FRY. This move would enable our country to contribute even more to the efforts to speed up and extend the peace process. Treating the FRY on equal terms with the former Yugoslav republics represents the most reliable way to fully normalize relations in the area of the former Yugoslavia and consolidate stability in the region.

Only a principled policy that takes into consideration the constructive contribution of the FRY, and that recognizes it as an equal partner, can help create conditions to achieve a speedy, just, and lasting peace in the former Bosnia-Herzegovina. This would definitely cement the peace option and deprive the advocates of the war option of their arguments insisting on it.

As before, the FRY will continue to fully contribute to the overall negotiating process in the belief that peace is the greatest interest of all the peoples living in the area of the former Yugoslavia, and that in the long term, everyone's legitimate interests and rights can be safeguarded only in peaceful conditions. As far as UN Security Council Resolution No. 757 is concerned, there are no demands that have not been met by the FRY. Hence, in theinterest of its own integrity and credibility, the UN Security Council is expected to be consistent and to make a decision as a matter of urgency to revoke all its measures taken against the FRY under the aforementioned resolution.

In expectation of such a decision, which I hope will be made as soon as possible on the part of the UN Security Council, respectfully yours. [No signature as received]

Minster Rejects Rumors About Division of Kosovo

AU1611155094 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 16 Nov 94

[FBIS Translated Text] Prompted by the frequent rumors at home and abroad regarding events in Kosovo and Metohija [Kosmet], and the fate of the province, Federal Interior Minister Vukasin Jokanovic has given an exclusive statement to Radio Belgrade's first program.

[Begin Jokanovic recording] There is no reason for the fear prompted by the artificially created dilemma regarding the fate of Kosovo and Metohija. Kosmet is an indivisible part of Serbia, and the problems of this region can only be solved within Serbia. The international community is clear on this point. There is no basis for different expectations here. Serbia has the historical, moral, and state right to this territory, which is the cradle of our spirituality and state. Precisely because of this, all rumors regarding the alleged division of Kosovo and Metohija are nonsensical. There are neither state, party, nor personal interests that could supersede Kosovo. Arguments urging the reinstatement of the province's status granted by the 1974 Constitution are illusory. That was a great injustice toward the Serbs, and an immense effort on the part of the people has been invested in setting this wrong right. Neither the Serbs nor the Montenegrins would ever agree to revert to this humiliating position.

The current problems should be viewed realistically, and not through rose-colored glasses, because in this way we shall be able to solve them more efficiently. The foundations of Serbia's current policy were laid in Kosovo, and Serbia will do everything to find a lasting solution to the problems in this part of its territory. There is readiness to negotiate with the Albanians. The negotiations with neighbors never actually stopped; business and human relationships are continuously enriched. When some of the Albanians give up their illusion of secession, the situation will essentially take a turn for the better. It is the state's interest—and we shall insist on this in the future as well—that all citizens, regardless of their national, confessional, and party affiliation or social status are equal before the law, the authorities, and therefore, also before the Security Service. [end recording]

CSCE Reintegration, Kosovo Issue Discussed

LD1611231094 Belgrade TANJUG in English 2215 GMT 16 Nov 94

[FBIS Transcribed Text] Brussels, Nov. 16 (TANJUG)—Yugoslavia's reintegration in the Conference on Security and Cooperation in Europe was discussed in Brussels Wednesday by Yugoslav and CSCE parliament officials.

Yugoslav Parliament Chamber of Citizens Speaker Radoman Bozovic conferred with President of the CSCE Parliamentary Assembly Frank Swalen and Vice Presidents Jan Charnogurski and Willy Winner.

The hosts spoke about the conditions for Yugoslavia's reintegration in the work of the CSCE and the principles of the inviolability of borders, resolving of issues by peaceful means and equal treatmnent of all peoples.

Bozovic said Yugoslavia respected all these principles. He pointed out that Belgrade had backed the plan proposed by the international 'Contact Group' for Bosnia.

Bozovic said the developments in Bosnia-Herzegovina and Croatia had been civil wars. He said Yugoslavia was ready to accept all those solutions which are approved by the peoples in former Yugoslavia.

Speaking about the problems which Yugoslavia is facing regarding the Albanian national minority in south Serbia's province of Kosovo and Metohija, Bozovic said ethnic Albanians enjoyed the same rights as all other Yugoslav citizens.

Bozovic said the problem was not that the Albanian minority were denied their rights, but that they refused to use them.

He illustrated this with the example of the Hungarian national minority. Ethnic Hungarians use their rights envisaged under the constitution and the law, and take full participation in the political and parliamentary life of the country, Bozovic said.

A strong separatist movement has been under way in Kosovo for decades to secede the province and annex it to neighboring Albania.

Bozovic urged the CSCE Parliamentary Assembly to announce its stand on Kosovo in a separate declaration. He said the declaration should clearly state that Kosovo is a part of Serbia and Yugoslavia and an internal political affair.

The declaration should also say that the Albanian issue must be resolved in agreement with top international standards, he said.

Senior CSCE officials said such a document was not necessary because the CSCE had on several occasions made it clear that it was against the forcible changing of borders and the secession of Kosovo.

In the part of the talks which dealt with respect of human rights, Bozovic spoke about the social and economic effects of the United Nations sanctions against Yugoslavia.

He said the suffering of the people could not have been the objective of these measures.

Both sides agreed that it was useful to maintain the dialogue and that more frequent meetings were necessary. It was also agreed that a delegation of the CSCE Parliamentary Assembly, headed by the president, should soon visit Yugoslavia.

Avramovic Views Outstanding Issues With Arhar

AU1611173494 Belgrade POLITIKA in Serbo-Croatian 11 Nov 94 pp 1, 2

[Report by Verica Rupar: "Talks Between Our Bank Governor and the Slovene Bank Governor"]

[FBIS Translated Excerpt] Budapest, 10 Nov—Officials of Yugoslavia and Slovenia have met for the first since the disintegration of the former SFRY [Socialist Federal Republic of Yugoslavia]. This afternoon, in Budapest, the governors of the two country's national banks, Dragoslav Avramovic and France Arhar, held talks for more than two hours on the monetary situation in Yugoslavia and Slovenia and the contentious issues that pose an obstacle to the development of financial, trade, and other relations between Belgrade and Ljubljana.

"The talks were exceptionally pleasant and frank," Governor Avramovic told POLITIKA. "We discussed our mutual relations. It is in our mutual interest to establish relations, to clear all contentious issue as soon as possible. In particular, we discussed the future of mutual trade and financial transactions. We also said that if there are any issues that stand in the way of our relations, they should be removed as soon as possible."

The unusual restraint on the part of Governor Avramovic, he explained, was a result of the agreement with the Slovene counterpart to treat these talks as a preliminary exchange of views. The Slovene side will draw up a list of issues that it thinks should be discussed at the next meeting. They agreed to hold the next meeting as soon as possible.

About Old Problems

"The first exchange of views is exceptionally important," France Arhar told our paper. "What is in question are the old problems of the old Yugoslavia and the new prospects for each individual republic, the new states. Our talks were also attended by the governors of the National Banks of Switzerland and Belgium, who are very competent in their fields and who are acquainted with our situations."

Arhar said that the two-hour talks broached the outstanding issues that burden relations between Yugoslavia and Slovenia. These were: the foreign exchange reserves of the National Bank of Yugoslavia, debts to international financial institutions and private banks, the membership of the National Bank of Yugoslavia in the Bank for International Settlements in Basel—where foreign exchange reserves are kept—then the citizens' old foreign currency savings, and the clearing with the former Soviet Union, as this clearing account still exists. [passage omitted]

Bank Governor Defends Economic Program

95BA0007B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 12 Sep 94 pp 24-25

[Interview with Dragoslav Avramovic, governor of the National Bank of Yugoslavia, by Vladimir Grlickov; place and date not given: "Program and Pressures"]

[FBIS Translated Text] *The great pressures upon the central bank, which Governor Dragoslav Avramovic talked about last week during his visit to the Serbian Glass Factory in Paracin, nevertheless mean that it should all be viewed from the standpoint of achieving the basic goals of the Program for the Reconstruction of the Monetary System and the Strategy for the Economic Revival of the*

Federal Republic of Yugoslavia [FRY]. The pressures still do not mean that the central bank has satisfied the excessive demands for the primary issuance and that the Program has failed.

If one accepts the governor's claim that the Program's first phase, associated with the rehabilitation of the national currency and the establishment of monetary authority, has been completed, then the question that arises is what comes next. That still cannot be a basis for claiming that the Program does not exist today, however.

National Bank of Yugoslavia [NBY] Governor Avramovic responded to our request for an interview on all this.

[Grlickov] Mr. Avramovic, last week you stated that there were great pressures upon the central bank and the primary issuance, even though you had stopped financing the budget deficit. Does this possibly jeopardize the basic goals of the Program for the Reconstruction of the Monetary System and the Strategy for the Economic Revival of the FRY?

[Avramovic] No matter how favorable the Program's results are, I would not agree that it serves as some sort of gospel, while everyone, either praising or criticizing it, is trying to benefit from it.

There is no logic and there are no large unfavorable trends in practice, however, that would prove right those who claim that the Program actually no longer exists. Through the Program and the measures, we restored the national currency, and the critics do not accept that obvious fact, stating falsehoods about it. I am not saying that any program, including ours, cannot fail, but it would have to be shown why that should happen. Why should it happen, when thanks to the Program, the country and the economy, which were on the verge of disaster, have restored, to use the language of a doctor, the basic circulation of blood after a successful heart operation. We have a decent currency that we can count on. In the second place, incentives for production have been established. In the third place, we have stopped inflationary financing of the budget.

[Grlickov] You assert that the Program's initial goals have been achieved. The question is what should be done next.

[Avramovic] That is stated precisely in the Program, in the remaining 60 pages that I have condensed in the form of the goals that have to be achieved. Until now, it could not be an investment program and long-term budget planning. At one time, I refused to plan a budget for more than half a year.

No one will fail to see and read that the goals we have in the Program are the elimination of controls on prices, interest rates, production, and investments. Furthermore, our goal is the restoration of monetary authority and the elimination of what are, de facto, seven central banks. Property transformation, with equal treatment given to state, cooperative, and private property, is also planned. Finally, there is the social welfare aspect of the problem, in regard to which we said that workers should be guaranteed fair participation in the distribution of the national income, since in comparison with other social classes, they are in a weaker position. The state has to protect workers in ensuring a minimum wage, and help the trade union in negotiations with employers.

[Grlickov] It is claimed that you are against property changes and privatization.

[Avramovic] That is also a matter of falsehoods, misunderstanding, or deliberate disinformation. The Program says that there cannot be any chaotic restoration of state property, which does not mean ruling out the restructuring of ownership, in the sense that the more capable private sector can take over the public sector, while ensuring the employment of capacities and workers. The reverse processes are also not ruled out, if that is more efficient.

[Grlickov] I propose that we go back to the initial question about the pressures upon the central bank.

[Avramovic] The Program's phase of restoring the national currency has been completed, but the existence of pressures upon the central bank is another matter. That still does not mean, however, that we have unselectively given in before the onslaught of the state's demand, for instance. That may even happen, but in that case I will no longer be governor. In every country pressures upon the central bank system are possible, including the kind of outcome that I am talking about. Our country, however, is more sensitive to such things, because there is a great fear of inflation, and so any small increase in the price of a cucumber or hamburger causes a panic.

[Grlickov] Are there noticeable pressures for imports and payments to foreign countries?

[Avramovic] That can be seen just from the number of tourists who have gone abroad, for instance to Greece. I would like to go back, however, to the large domestic demand for medium-term and long-term credits in order to finance reserves in agriculture, i.e., to pay salaries before the goods are sold to the final consumers. That should not be accepted, as a principle from the times of negative interest rates, when the people who work and finish their jobs pay debts and taxes, demanding that they be guaranteed solid incomes in advance.

[Grlickov] Has the money supply's percentage of the social product reached an optimum limit?

[Avramovic] The money supply ought to be about 30-35 percent of the social product. Furthermore, it should be calculated that we started from zero, because the dinar money supply was destroyed by hyperinflation. There is also the problem of the undeveloped system of keeping personal wealth in financial instruments, as is the case in undeveloped countries. We are making efforts to develop current accounts, citizens' savings, etc. In any case, the money supply today is not more than 2 billion dinars.

[Grlickov] I have heard that half the money supply is in primary money, and the other half is in secondary money.

[Avramovic] There should not be any panic, especially since in the course of the year, for various reasons, we kept the money supply within stagnant limits; this coincided with high illiquidity. Today the illiquidity crisis is less serious, but we are not having any crises with the money supply.

[Grlickov] I am not claiming that there have been critical increases in the money supply, but there is a large volume of unrepaid loans.

[Avramovic] That exists because our economy does not have its own working capital, and any increase in production has to be the result of a net growth in loans. If the loans were repaid, production would fall. If we want a growth of production, we have to count on a net growth of loans, at least at the same rate. Restructurings are a condition for the economy's obtaining its own funds, but I estimate that a period of 3-4 years will be needed to normalize the financial structure. Another matter is that the lack of working capital has also been affected by seasonal influences, and the gap between the time of the creation of the production and its sale.

[Grlickov] Could the large percentage of cash in the money supply be a sign that the Program is in danger?

[Avramovic] A high percentage of cash, per se, does not necessarily mean inflation. In Switzerland, the percentage of cash is relatively high (30-40 percent), but there is no inflation, while in Great Britain it amounts to only 7 percent. Naturally, we are a poor economy in which a system of payment by checks has not yet been developed, and we also have some other characteristics which cause a high percentage of cash. I have already discussed how the blockade of private and state accounts has had an unfavorable effect upon the withdrawal of cash from deposit accounts, in order for banks and the state to ensure safety in some transactions, for instance in connection with oil imports.

[Grlickov] There is a large demand for credits from the production sector, both for ensuring current production and for financing investments (repairs).

[Avramovic] The financing of production and repairs should not be questioned. The halt in financing the state creates a little room for those types of financing, but we must nevertheless do it carefully.

[Grlickov] Investments and projects, which you are insisting on in the context of privatization, are another matter.

[Avramovic] We have to pack up for a time high-quality projects with a high profit rate, so that we could offer them to foreign partners as soon as the sanctions are lifted. This would also include the sale of enterprises, whereas what is not worthwhile can be liquidated.

[Grlickov] Polemics have been conducted with you over interest rates, but I see that banks are increasing interest rates for savings. I assume that they calculate that they can cover them with revenues.

[Avramovic] I am also assuming the same thing. They are giving rates of up to 30 percent annually.

[Grlickov] Does that mean that you have accepted a policy of increasing interest rates?

[Avramovic] I do not accept the theory that the dinar should be adjusted through a drastic increase in interest rates to 40-50 percent annually. Knowledge, experiences, and perhaps even prejudices lead me to believe that we cannot protect the currency through measures that could suppress the private sector. The British Empire fell because of that at one time, and not just the pound (Churchill's experiment).

[Grlickov] It is claimed that the profit opportunities create room for increasing interest rates.

[Avramovic] That creates difficulties for me. I had three mechanisms available to protect the dinar. One was associated with interest rates, the other did not go through the banks but rather through direct financing of the budget on the basis of foreign exchange and forcing consumption by the poorer strata (that is why the program was very widely accepted), and the third instrument was the rapid collection of taxes, as a result of which people had to sell foreign exchange. The interest rate mechanism was the least important, and that is why I went with a discount rate of 6 percent annually. The banks used interest rates of 30 percent in order to cover expenses and capital losses. I responded by reaching an agreement with farmers that there would be 9 percent rates on loans, but without subsidies.

I changed my belief that these were interest rates that could be borne after seeing that even higher interest rates, for instance 12 percent, were possible. As far as the profit rate is concerned, not one critic of "my" interest rates has shown yet how much it really amounts to.

No one knows how high the profit rate is, as I saw during the arguments over determining the lowest cost of labor. At one time I was given a sample from which it could be seen that firms could not handle the lowest cost of labor, 60 dinars. If the wage is 200 dinars, then logically the minimum cost of labor has to be higher.

I had to agree that the profit rate was higher. Otherwise, the alternative was to limit interest rates, which is not good, because it leads to the danger that money will migrate completely into black market channels. That is why I agreed to increasing interest rates to 12.13 percent annually. In my opinion, the worst policy is to head into the stratosphere with interest rates of 40 or 50 percent a year.

[Grlickov] Some banks are giving monthly interest rates of 3 to 6 percent on savings.

[Avramovic] I maintain that even an interest rate of 12 percent is too high in comparison with world standards. Internationally, LIBOR is 4-5 percent. I respect the fact of higher profit opportunities, which can also be seen from the wage of 500 dinars in the construction industry. I just don't know the extent to which that will be possible. I am keeping in mind the fact that there is a great shortage of capital here, which is also raising interest rates, but we have to be realistic and compare ourselves with the rest of the world.

[Box, p 24]

[Grlickov] What is the foreign exchange situation like, in view of your statement about big pressures for imports?

[Avramovic] The pressure exists, since every capital facility under repair is based on imported components. To a considerable extent the renewal of production also depends on imports. On the other hand, we do not have any indications that some type of import would not work because we are too expensive, or vice versa. The central topic that concerns me is precisely this foreign exchange problem; I would least of all like to have it solved through new borrowing, because that could only mean short-term loans that would have to be repaid. All we need is to have that problem, too. Nevertheless, we have various options and combinations that we will talk about when the time comes and the sanctions are lifted.

[Grlickov] The lifting of the sanctions will facilitate exports, but there will also be some other problems with repaying old debts.

[Avramovic] We will have to reschedule the debts, and we will see whether we are capable of increasing exports by $4.5-6 million. In any case, it will be cheaper because we will not have the additional expenses that we are paying today. How many marginal firms will want to enter into those transactions is a separate problem.

Agricultural Survey Following Harvest

95BA0007A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 12 Sep 94 pp 21-22

[Article by Vlastimir Stevanovic: "Replete Poverty"]

[FBIS Translated Text] *All the predictions indicate that this year enough was raised for the newly established requirements of the population: lines for BUS [flour, cooking oil, and sugar] can only be created by a misguided price policy. The purchase and sale of wheat have been set without major protests and cash. The value of the fall harvest at the current protective prices will be about 700 million dinars; interventionary imports of meat certain.*

If the fall harvest of corn, sunflowers, soybeans, sugar beets, potatoes, and so forth, proceeds like this year's grain harvest, then those who conduct this country's economic policy can rub their hands in satisfaction. This actually has to do with the fact that the purchase and sale of wheat has been handled virtually without protests, with a truly low protective price and with a very small amount of cash. As of 25 August, almost 2 million metric tons of grain were purchased—almost all market surpluses. The joke is that the wheat will be paid for in installments, three for the farmers and as many as seven for the enterprises. Nevertheless, in contrast to four years ago, the roads have not been blockaded, and no one has been declared an enemy of the Serbian people, even though this year's price for wheat was half of what it was in 1990.

Even now, admittedly, one can hear individual opinions from people in agriculture that it is on its deathbed and that it will hardly be able to bear the burden of stabilization unless it receives financial assistance quickly, but there have been no more serious reactions and expressions of public dissatisfaction. It seems that last year's experience with hyperinflation was very instructive: Stable money at least gives hope that better financial days will come, but new inflation would destroy everything, even hope.

BUS and...

In those circumstances, the authorities are rather cold-bloodedly awaiting the fall harvest. According to all the predictions, this year enough was raised for the population's newly determined requirements. Although the expected yields for virtually all crops are significantly lower in comparison to the averages over several years, primarily because of poor soil nourishment, they will nevertheless be sufficient for local consumption, and there will also be something left over for export. Corn may be an exception; the yields were cut in half by the drought (a crop 38 percent smaller than the average over 10 years is expected), but there will be enough of it for the considerably impoverished domestic livestock inventory. All in all, lines for BUS can only be created by extremely crude state intervention in the area of prices, and having these goods located in warehouses hidden from consumers instead of in shops. Serbian Vice Prime Minister Slobodan Radulovic recently stated that there was not a single justifiable reason for increasing the prices of sugar and oil (with respect to flour, there is not even any pressure to raise prices), but he did not threaten any administrative measures. On the other hand, it seems that the producers do not have anything against stable prices, either, but they are linking this with the financing of this year's harvest: If money is provided for purchasing it, and for the necessary fuel and everything else necessary for production, everything will be all right. Otherwise, according to the first preliminary assessments, 574.8 million dinars will be needed for purchasing the total market production from the fall harvest. One should probably also add to this 120 million dinars for equipping the processing factories, and buying semifinished products and fuels, which increases the total funds for this year's harvest to about 700 million dinars. The Serbian Chamber of Commerce

[PKS], which compiled these initial calculations, recommends "using monetary-commodity relationships, instead of barter in kind, as much as possible" in purchasing market surpluses. To translate this, the PKS is advocating financing that will be backed by agricultural production, since it is already clear that the potential customers (cooking oil and sugar producers and fodder factories) do not have working capital for purchasing it. The commodity reserve directorates, as safe buyers—who are moreover required to do so by law—will have to use the National Bank and its monetary mechanisms, and commercial banks will probably do the same. That is why Governor Avramovic is the most sought-after person at gatherings of people in agriculture these days.

The structure of the expected crops is as follows: from the 162,000 hectares planed with sunflowers, it is estimated that 360,000 tons will be gathered, and from the 49,000 hectares planted with soy, 70,000 tons. The expected production of edible oil is estimated to be 150,000 tons, and domestic requirements to be 1.32 million tons. The proposed protective price for sunflower is 40 paras [1 para = 0.01 dinar] per kg, and for soybeans, 42 paras per kg. Sugar beets have been sown on 72,000 hectares (20 percent fewer than planned), but this year's yields will permit a harvest of about 3 million tons, which is enough to produce 340,000-380,000 tons of sugar. That production would be three times higher than last year's, and would satisfy reduced domestic consumption (estimated to be 250,000 tons), with the possibility of exporting about 100,000 tons of sugar. The proposed protective price for sugar beets is 60 paras per kg. For tobacco, the protective price is 2.7 dinars per kg, and a total crop of 10,000 tons is expected. A total of 380.4 million dinars will be needed to purchase the market surpluses of industrial plants.

The production of 41,000 tons of apples, 30,000 tons of plums, and 50,000 tons of potatoes is also expected. In spite of the drought, the production of fruits and potatoes is at the level of the average for several years. The estimated market production of grapes is 160,000 tons, worth 61 million dinars.

The drought took its biggest toll on corn. In this case the estimates vary (according to some people, production will be at last year's level, and according to others it will be about 40 percent lower than the average over several years), but a bigger problem is that the quality of this year's crop will be extremely poor. The proposed protective price for corn is 16 paras per kg, and it is extremely important that it be observed for the sake of parity in the livestock industry. The price of the fodder "builds" the price of the livestock and afterwards of the meat and processed products.

And Meat...

While it can be predicted with great certainty that this year BUS will not influence the fate of directors here (the population's purchasing power is just enough to satisfy these basic needs, and it seems that there will be enough goods), the situation with meat is somewhat more complicated. More precisely, the livestock industry is in a serious crisis. These days that can be observed most vividly at butcher shops. The prices of fattened animals are rising rapidly and are over 2.5 dinars per kg, which is forcing the slaughterhouse industry into losses, given the current prices of meat and meat products. Since it is not exactly advisable to raise prices in this political situation, meatpackers are simply reducing production, but in any case the demand for meat is higher in the fall than in other months. Naturally, the first shortages are due to all this.

The causes are much deeper and longer-lasting. It is hard to determine exactly when the crisis in the livestock industry began, but it is easy to illustrate what kind of situation it is in today: In 1985, there were 2.2 million cattle in Serbia (1.64 million in 1994), 5.06 million pigs (3.67 million in 1994), and 24 million poultry (now 21.31 million). The list of reasons why this is the case is rather long, but the lack of a true agricultural policy is certainly in first place. For the last two years we have not had an agrarian policy at all, nor any money. Next are the sanctions, and when all of this is tied together, then even the main breeding stock is slaughtered. That is what happened last year, however.

Because of the relatively long production cycle, stable business conditions, and especially stable money, are extremely "beneficial" to the livestock industry. Then the international range of price parities can be maintained: 8 kg of corn for 1 kg of live pig, 10 kg of corn for 1 kg of a live cow, or 2.2 kg of a live cow for 1 kg of young beef.

Just before the "super" dinar came onto the public scene last December, the prices of fattened animals even reached 3 marks per kg, and then after 24 January 1994 fell to 1.4 dinars per kg. Sometime around the end of July, prices grew to 1.9-2.1 dinars per kg, and then in August this price growth continued, and it began to climb above 2.5 dinars per kg. The meatpackers claim that they can maintain the present prices of meat and meat products unless the price of fattened animals goes beyond 2-2.1 dinars per kg. Serbian Vice Prime Minister Radulovic even claims that in addition to sugar and cooking oil, there is also no reason for meat to become more expensive. Like the cooking oil producers, the meatpackers agree, with one proviso: that the financially shaky livestock industry be assisted out of the state treasury. An extensive program to stabilize the livestock industry, which was drafted by the PKS at the meatpackers' initiative, entails, in addition to many measures, a credit of 80 million dinars for primary production, and that is just for the last quarter of 1994. It has also been proposed that the Republic Commodity Reserves Directorate be allowed to use the credit for a period of 10 years at an interest rate at the level of the National Bank of Yugoslavia's discount rate, or that funds be approved in Serbia's budget.

Interventionary Imports?

It remains to be seen what the fate of this proposal will be, but it is almost certain that there will be interventionary imports of fresh meat in the amount of about 5,000 tons. The meatpackers are urging that this deal be settled as soon as possible, by the beginning of October at the latest, because afterward it will be too late. In addition to imports, they are also requesting a reduction in the prices of protein feeds (to 1.2 dinars per kg of fish flour, 0.6 dinars per kg of soy, and 20 paras for sunflower seeds), by means of a combined purchase through the Commodity Reserves Directorate. They are also requesting that the current prices of energy fodder (corn, barley, and wheat for fodder) be kept at the level of 16 paras per kg. Among other things, they are also requesting a reexamination of the commercial margins for processed meat and milk, which range from 20 to 50 percent.

If these demands were met, an amount of meat sufficient for local needs would be produced by the end of the year, possibly with a surplus for export, and further more at the stable prices prior to 25 July. Otherwise, there will be a drastic reduction in livestock production, and young pigs and calves will be slaughtered, the meatpackers say.

All in all, we are nevertheless going into winter with enough food, naturally for the population's reduced requirements. If we analyze the use of capacities at sugar and fodder factories and slaughterhouses, etc., it can easily be seen that the percentages vary between 30 and 60 percent; the average utilization of available production capacities is about 50 percent. Perhaps that is not even bad, from the standpoint of the nation's health. The warnings from agriculture that this year went relatively well, but that the reserves for the next sowing have been exhausted, sound ominous, however. Those cries are not loud and are not too public, probably thanks to the media, and they are dangerous precisely for that reason. The wheat harvest has been done, but not paid for, and the bills for the fall harvest are already arriving. Agriculture alone lacks about a billion "healthy" dinars. Mr. Avramovic will need a lot of luck next year, and all of us along with him, so that we do not live on installments, or, God forbid, with a weakened dinar.

Funds Necessary to Purchase the More Important Agricultural Products From the 1994 Fall Harvest and Purchase Semifinished Products for Processing (in thousands of dinars)

Purpose	Sources of funds					Total funds			Total funds by purpose
	Processors and others			Commodity reserves					
	Own funds	Commercial banks	NBJ	Commercial banks	NBJ	Own funds	Commercial banks	NBJ	
Purchase of sunflower seeds to produce oil	27,760	41,640	69,400	22,680	52,290	27,760	64,320	122,320	214,400
Purchase of sugar beets for production	37,800	56,700	94,500	16,500	38,500	37,800	73,200	133,000	244,000
Purchase of sugar beets for production	20,000	14,000	42,000	—	—	20,000	14,000	42,000	76,000
Purchase of fruits and vegetables	11,220	11,220	14,960	—	—	11,220	11,220	14,960	37,400
Purchase of market surpluses of tobacco	7,200	7,200	9,600	—	—	7,200	7,200	9,600	24,000
Purchase of market surpluses of corn	19,200			28,800	48,000	19,200	28,800	48,000	96,000
Total:	123,180	130,760	230,760	67,980	139,420	123,180	198,740	369,880	694,800

[Box, p 22]

Below the Red Line

Usually agriculture's level of development is measured by its share in the total value of a country's agrarian production. Thus, in countries with a developed agrarian economy, that share ranges from 70 to 80 percent. The number of arbitrary head per hectare is between one and two, and the value of agricultural production per hectare averages $5,000 (in some places up to $10,000).

In Serbia, the situation is as follows: The livestock industry's share in total agricultural production is below 40 percent, touching the red line—the boundary between intensive and extensive agriculture. The number of arbitrary head per hectare is considerably below one head of livestock (in Vojvodina, which has the best performance for serious production, the number of head is below 0.20), and the value of agricultural production per hectare barely reaches $1,000.

Serbia

Seselj: 'Determination To Overthrow Milosevic'

AU1611190394 Belgrade NIN in Serbo-Croatian 11 Nov 94 pp 18, 19

[Interview with Vojislav Seselj, Serbian Radical Party chairman, by Olivera Miletovic; place and date not given: "I Dreamed About Slobo"]

[FBIS Translated Excerpt] It took the imprisoned Vojislav Seselj only two days to write answers to the questions we asked him. The Serbian Radical Party chairman is forced to write again, something he abandoned when he became a party leader.

Judging from his answers, Seselj is becoming even more radical in prison. Asked what he dreams about and whether he endures his sentence easier in the present than in the former Yugoslavia, Seselj answered citing a multitude of dreams in which, among other things, sees a violent death of Slobodan Milosevic and Mira Markovic. He makes a psychological analysis of his political opponents, predicting an evil death for every one of them.

[Seselj] I have had the capacity to predict things since my childhood: I have always had prophetic dreams. I can best answer the question of what is happening to me by quoting Gavrilo Princip's verses:

"Time is passing slowly by,

"And there is nothing new:

"Today is the same as yesterday,

"And tomorrow will be the same again."

In any case, it was more difficult in Bosnia in the former Yugoslavia. I spent eight months in pretrial confinement there, a month and five days of that time in a condemned cell during the hunger strike. Of the 14 months I spent in Zenica prison, I spent six and a half months in solitary confinement, four months in quarantine, and only the last three and a half months in a normal cell. I was beaten once, upon an order given by the prison governor. This has not happened here so far.

The days in prison are passing by slowly. It is only under these conditions that one realizes that time is relative; how long months, weeks, days, hours and minutes can be.

I am reading all the daily press and periodicals far more intensely in here than normally. I am charging my batteries for a new attack against Milosevic. In contrast to some other things, prison can neither tame nor discourage me. My determination to overthrow Milosevic as soon as possible grows stronger from day to day. [passage omitted]

[Miletovic] It seems that the Serbian president is required to recognize Bosnia-Herzegovina, Croatia.... Is this the main reason behind your arrest?

[Seselj] The problem does not lie in the fact that the U.S. requires this, but in the fact that Milosevic agrees to everything. He is hoping to become the key U.S. man in the Balkans, which is a completely false assumption. As soon as he has accomplished what the West orders him to do, Milosevic will be thrown away like a squeezed lemon.

I was arrested because I was the most successful politician in disclosing every treacherous move Milosevic made. Apart from that, I was arrested with the aim of scaring others who could dare offer resistance to him.

Having betrayed the Serbian Republic, Milosevic finally lost the patriotic aura that allowed him to be supported by the Serbian people. The only thing he can do now is to reign by scaring people, and he will certainly spare no efforts to postpone the final collapse of his regime.

Slobodan Milosevic will certainly betray the Serbian Krajina. He has already made a plan; the present diplomatic game serves only the purpose of tricking the people. Milosevic will also betray Kosovo, the Raska region, and the so-called Panonija and Vojvodina. He will agree to the dissociation of Serbia from Montenegro. The modern Serbian Caligula is ready to reduce Serbia to the size of Ada Ciganlija [island in the Danube River at Belgrade] if he can stay in power.

This is not the only reason for my arrest, however. Milosevic knows that the Serbian Radical Party is the only real opposition party today, and that the Serbian Radicals know how to depose him and how to pull the country out of the political, economic, and social crisis.

[Miletovic] How will the game of chess between Belgrade and Pale end, in your opinion?

[Seselj] This is not a game of chess, but Russian roulette.

[Miletovic] Do you think that your political opponents are also worried by the fact that no political imprisonment has ever ended without a result?

[Seselj] Yes, Djindjic and Kostunica are extremely worried, because it is becoming increasingly evident that the Serbian Radical Party is the only serious alternative to the Socialist Party. These two politicians have made the political moves that have pushed them into the background of political life.

Draskovic decisively condemned my imprisonment, but he uses every opportunity to publicly attack me "as a war monger." He is happy that Slobodan Milosevic has finally taken over his political concept, capitulation in other words. Vuk Draskovic obviously forgot that it was not the first time that Milosevic stole his political program. When Milosevic became a big nationalist in 1991, Draskovic completely abandoned the nationalist orientation. It would be best for Draskovic now if he returned to what he was four years ago. By his present behavior, he is only showing Milosevic that it is sometimes useful to arrest and beat a political opponent, who will then be obedient and cooperative thereafter.

Court To Suspend Publication of BORBA

AU1711113394 Vienna DIE PRESSE in German 17 Nov 94 p 26

[David Fatschel report: "Serbian Newspaper Critical of the Regime Threatened"]

[FBIS Translated Text] The newspaper BORBA ("Struggle"), which celebrates its 50th anniversary this year, recently received a letter from the court telling it that its publication will be suspended. The court—and thus indirectly the Serbian regime—had declared the newspaper's registration in the court registry of shareholding companies null and void.

The board of directors of the newspaper, in which the Belgrade Government holds a 17 percent share, says this is "ridiculous," since BORBA has even been registered several times—most recently after the privatization in 1991. A copy from the media registry and a letter of the government of the former Yugoslavia confirm that.

Therefore, the daily's lawyers have lodged an appeal and are going to take the next step, but they have little prospect of success. "It is incredible—the newspaper has been legally registered, all documents prove that," one of the lawyers notes with astonishment. One of his colleagues says: "If Serbia were a rule-of-law state, none of this could happen. This is a political process interfering with the independent media. It may be that BORBA will have to suspend publication as of the beginning of next week."

Observers in Belgrade see this campaign as part of the latest "purging" by President Slobodan Milosevic, directed against the independent media in the country. Two months ago the director of the radio and television station Politika had to resign following pressure from the regime; a few days later one of the journalists was attacked and beaten in the street. Some time later, the regime unleashed a quarrel in the independent television station Studio B, as a result of which many journalists and moderators have left the station. The independent radio station B 92 and the independent magazine VREME are also struggling with problems. For years, many of the critical journalists working there have received daily threats because of their reporting. However, the suspension of BORBA would be the most severe blow so far against the independent media, since BORBA is the country's most influential medium that is critical of the regime.

Kosovo

Yugoslav Army, Serbian Police Hold Exercise

LD1611182994 Belgrade TANJUG in English 1811 GMT 16 Nov 94

[FBIS Transcribed Text] Pristina, Nov. 16 (TANJUG)—Special Yugoslav Army and Serbian police troops held a joint tactical exercise in the Serbia's southern Kosovo and Metohija province, the Yugoslav Army said Wedensday.

The exercise was conducted in the region of the village of Suva Reka, about 45 km southwest of Pristina.

It was observed by Yugoslav Army Chief of the General Staff General Momcilo Perisic, Federal Interior Minister Vukasin Jokanovic, Yugoslav Army strategic group commanders, the representatives of the Serbian police and the authorities of certain districts in Kosovo and Metohija.

Gen. Perisic and Jokanovic said the exercise had been successful and had shown a high degree of cooperation between the Yugoslav Army and the Serbian police special units.

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